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A SURVEY OF ASIA IN 1983: PART II

■ Indonesia • DONALD K. EMMERSON ■ The
Philippines • G. SIDNEY SILLIMAN ■ Papua
New Guinea • PETER KING ■ Malaysia • JERRY
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Survey.

Editors: ROBERT A. SCALAPINO & LEO E. ROSE

Editorial Assistant: ROSE ANNE WHITE

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INDONESIA IN 1983

Plus Ça Change . . .

Donald K. Emmerson

Despite appearances, 1983 was not a watershed year for President Soeharto's ongoing New Order. In politics, an inconspicuous retired army general's accession to the vice-presidency took most observers by surprise and ended a tradition of filling that office with prominent civilians. But the more consequential reelection of retired General Soeharto to a fourth five-year presidency, which had been widely anticipated, assured continuity. In stemming the effects of falling world oil prices, the government moved more forcefully and on more fronts than some observers might have thought possible. But these innovations illustrated outlooks—Western technocratic rationality and Indonesian bureaucratic nationalism—that have long animated New Order economic policy. Finally, in foreign affairs, President Ronald Reagan's last-minute decision not to visit Jakarta and the U.N.'s first-ever deferral of the East Timor question suggested a setback and an advance, respectively, for Indonesian diplomacy. Yet relations with Washington remained basically cooperative, while the occupation of East Timor continued to attract foreign criticism.

Thus, the pattern of policy in 1983 suggested not revision so much as reinforcement, and seemed to enhance the chance that when the watershed does come, and the question of succession is posed, Indonesia's authoritarian, military, anticommunist regime will outlast its founder.

Politics

Since his rapid and extraconstitutional acquisition of power in the emergency of 1965–66, Soeharto has been careful to move more gradually,

Donald K. Emmerson is Professor of Political Science at the University of Wisconsin, Madison, Wisconsin, and Faculty Associate of Universities Field Staff International. For helpful criticism that has not, of course, reduced his responsibility, the author would like to thank Bruce Glassburner and Karl Jackson.

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consolidating his position and insisting that his mandate be revalidated every five years by the People's Consultative Assembly (MPR),¹ constitutionally the nation's foremost collective authority. On schedule, in March 1983, the Assembly reconvened and renewed his presidency.

This time around, as previously, the president's tenure was extended only after careful orchestration to preclude formal opposition. The long-time Soeharto associate who chaired the Assembly, retired General Amir Machmud, had only to tell the delegates what they already knew, that all five MPR factions had agreed to back Soeharto's candidacy, and the hall broke into applause. Of the 920 seats in the MPR, less than two-fifths had been filled by direct election in May 1982 when Indonesians last went to the polls. But even if the Assembly were less lopsidedly the product of official appointments, the outcome in March 1983 would have been the same, for in 1982 the government through its Functional Groups (Golkar) had garnered a record 64% of the vote in the Assembly election.

Soeharto's reinauguration on March 11 was a foregone conclusion, but the ritual itself could not have been dispensed with. Nor was this merely an occasion to reassure backers and mollify doubters in the democratic West, although the government did stress to foreigners that Soeharto had again been *elected* by the Assembly. Less obviously, but more importantly, the periodic renewal of the president's mandate builds into Indonesia's bureaucratized and encapsulated political process regular opportunities to reorganize higher echelons and to take policy steps that encourage an image of a regime leading from a position of reinvigorated popular strength.

The naming of retired General Umar Wiranatakusumah to the vice-presidency is best understood in this context of periodic reconsolidation to prepare for change. Although 1983 was not a watershed, one or more of the next ten years of Indonesian political history almost certainly will be, if only because President Soeharto, should he seek a fifth term in 1988, would be 71 years old upon its completion in 1993. Seventy-one is not too old to rule a country—Deng Xiaoping, Pham Van Dong, and Ronald Reagan were older than that in 1983—but the longer Soeharto stays in office, the more imminent become the events that will determine whether the New Order survives him. Aware of this pivotal time-to-come, and possibly irritated by the outspoken independence of the civilian vice-president Adam Malik, the president replaced him with a soft-spoken officer of unquestioned loyalty who had spent the bulk of his

1. See, for example, *Indonesia: Spotlight on Events* (Department of Information, Jakarta, February-March 1983), p. 1.

career, as General Wiranatakusumah himself liked to acknowledge, following orders.

Wiranatakusumah had played a key role as Jakarta's military commander in 1965-66 in facilitating the transition from Sukarno to Soeharto and had accelerated the repression of the Indonesian Communist Party by banning its activities in the capital in December 1965, the first step in the outlawing of the party. Having steered clear of scandals during his most recent tenure as chairman of the audit board (1973-83), Wiranatakusumah seems in retrospect a logical choice: an unambitious prospective caretaker of proven probity and loyalty who could step into the president's shoes in an emergency, but would neither conspire to wear them nor be able to stay in them very long, given the new vice-president's retired rather than active military status, his Sundanese and not Javanese background, and his consequent lack of a major power base within the army. If the New Order can be defined minimally as authoritarian, military, and anticommunist, Wiranatakusumah has the advantage of representing all three characteristics without the disadvantage of limiting President Soeharto's choice of a successor.

Changes in armed forces leadership and in the cabinet also illustrated Soeharto's preparations for the future. In the first half of the year, virtually every senior army position changed hands. At the top, "1945-generation" incumbents made way for officers of the "bridge generation" of men trained mainly in the early-to-mid 1950s. Cases in point were the appointments of generals L. B. Murdani and Rudini, respectively, as armed forces commander and army chief of staff. Murdani's strong and proven loyalty to Soeharto and his disadvantage as a Catholic in a largely Muslim country limit his capacity for independent political action. Accordingly, the president not only entrusted the armed forces to Murdani, but allowed him to retain control over military intelligence and gave him ministerial status as well. At the same time, and characteristically, Soeharto hedged this concentration of power by naming as minister of defense and security an older and probably less impetuous man, retired General S. Poniman.

Finally, while promoting the "bridge generation" to replace the "1945 generation" at the top, Soeharto moved the "younger generation" of officers trained largely since 1960 into most of the key slots lower down. Among the officers worth watching in this third category are Try Sutrisno, Sugiarto, Edy Sudradjat, and Wismoyo Arismunandar, men in their mid-forties who head, respectively, the Jakarta, Central, and West Java commands and the quick-reaction force known as Kopassandha. A much younger comer is Major Prabowo Subianto (31)—Soeharto's son-in-law, ex-trade minister Sumitro Djojohadikusumo's son, and the dep-

uty commander of a Kopassandha detachment. Prabowo has been admired by one military attaché in Jakarta as "the sharpest officer I have met in anybody's army."²

Soeharto's choice of ministers to make up the Fourth Development Cabinet, inaugurated on March 19, reflect this same basic strategy of encouraging turnover, rewarding loyalty, and thus strengthening the state apparatus under Soeharto's stewardship against prospective challenge. Among military ministers General Ali Murtopo departed, along with several of his associates, removing from the cabinet a major if declining center of power. At the same time, Admiral Sudomo, who formerly headed the powerful Command for the Restoration of Security and Order, was made minister of manpower, apparently to defuse unemployment and prevent labor unrest while the Indonesian economy rides out a less than buoyant world oil market. Among civilians, the regime's senior active technocrat, Widjojo Nitisastro, was replaced by Ali Wardhana as economic coordinating minister and by J. B. Sumarlin as planning agency chairman—changes that suggested continuity, however, in view of Widjojo's long-standing association with his successors. The cabinet was also enlarged from 30 to 37 seats to accommodate the promotion of several junior ministers to head new departments with reduced portfolios.

Lastly, Lieutenant General Sudharmono's position as state secretary was strengthened with the renewal or granting of ministerial rank to four army or air force officers who are identified with him: the justice minister (Ali Said), the attorney general (Ismail Saleh), the cabinet secretary (Moerdiono), and the junior minister for promoting the use of domestic products (Ginandjar Kartasasmita). Given the state secretary's network, his official position astride the flow of government business, and Soeharto's apparent confidence in him, Sudharmono is arguably, after Murdani, the second most powerful man with ministerial rank in Indonesia. To the extent that the state secretariat has tended to practice economic nationalism, or at least to vet various proposals according to their perceived benefit to Indonesia, Sudharmono's strength could have implications for foreign policy, and supports in any case an impression of Soeharto battenning down the bureaucracy's hatches to prepare for variable weather ahead.

Later in the year, Sudharmono's responsibilities were augmented to include the secretary-generalship of Golkar. In this move too could be seen the hand of Soeharto tightening control, first, against rivalries among the organizations that belonged to Golkar, and second, against

2. Cited by David Jenkins, "Operation Regenerasi," *Far Eastern Economic Review*, September 15, 1983, p. 43.

controversy over the wisdom of identifying Golkar with Islam. On the first score, Golkar was turned into an individual-membership organization; the second issue was resolved by, in effect, repudiating the strategy of Sudharmono's predecessor as general chairman, Major General Amir Murtono, who had cultivated during the 1982 election campaign an Islamic image in competition with Golkar's main challenger, the Muslim opposition United Development Party (PPP). The rise of a reportedly independent-minded, secularist, and civilian "Bandung group," including foreign minister Mochtar Kusumaatmadja's younger brother Sarwono (who at 40 became Golkar's youngest and first civilian secretary general) triggered speculation that Golkar was being upgraded into something more than a vote-collecting agency. Some even wondered whether Soeharto might be planning a resumption of civilian rule, with Golkar scheduled to become a political party in a Western sense. However, for the time being at least, the prospect of more control from the top down implied in Sudharmono's new responsibilities more than offsets whatever chance of civilian autonomy can be read into Sarwono's.

Reinforcing this conclusion—that control in the New Order continues to supersede representation—is the progress of Soeharto's effort to make the state philosophy of Pancasila the sole legitimate wellspring of political rhetoric and action in Indonesia. At its congress in December, the Muslim Teacher's Party (Nahdlatul Ulama), *primus inter pares* within the composite PPP, finally bowed to official pressures to accept Pancasila as its own ideological underpinning, although the acquiescence was indirectly expressed and made conditional to avoid an appearance of capitulation.

On the same theme of enhanced control, but more disturbingly, the gunning down of thousands of presumed criminals in cities around the country—violence that was partly disavowed by the regime, partly acknowledged by it, and possibly instigated from within it—reconfirmed the apparent willingness of men like Murdani to sponsor or at least tolerate Draconian measures in the name of public security. By year's end the proliferation of these crypto-official "mystery killings" threatened to invite anyone with a score to settle to do so forthwith, bypassing the courts, to the detriment of the very civil order on whose behalf the campaign purportedly had been launched.

Another reason why this violent disregard of the law may have run its course is that it imputes impotence to the "Sudharmono group," whose members include not only the justice minister and the attorney general but also the chief justice of the supreme court. On the other hand, one should not presume that even the country's top jurists are able or necessarily willing to halt vigilante justice, especially in view of its

apparent higher-level acceptance and its popularity among Indonesians who have been or apprehend becoming victims of the "criminals" being killed. The campaign may even have been undertaken, or allowed to develop, in order to please that vulnerable constituency and to deter the growing numbers of unemployed urban youths for whom crime is a temptation.³

Economics

The Indonesian oil economy's years of sudden glory are over. Minibooms could recur, depending on imponderables such as the stability of the Persian Gulf, the unity of the Organization of Petroleum-Exporting Countries (OPEC), the pace of recovery in the industrialized oil-importing countries, and recession vs. conservation as explanations for the recent drop in world demand. But there is no reason now to anticipate price jumps in the 1980s of the magnitude enjoyed by Indonesia in the 1970s. On the supply side, international considerations aside, because Indonesian fields are many, small, and increasingly offshore, extraction costs are likely to rise and more will have to be spent on exploration to sustain production than would otherwise be true. As for demand, if Indonesia's own appetite for oil keeps rising at the 12% average annual rate registered in 1974-80, within ten years the home market alone could soak up quantities in excess of the peak output reached in 1977.⁴

Recession and subsidy reduction have lowered the rate of growth in domestic energy consumption, and by the 1990s Indonesia will have had more time to lessen in its energy diet the proportional role of oil as opposed to gas, coal, hydroelectric, and geothermal power, not to mention more hypothetical alternatives such as ocean thermal energy conversion. Nevertheless, the conjunctures of domestic and global conditions that proved so conducive to oil wealth in the 1970s will probably not recur in the 1980s.

Whatever the future holds, the recent past has given Indonesian leaders good reason to renounce the earlier boom mentality. In 1979-82, aggregate demand for oil in the industrial market economies of the Organization for Economic Cooperation and Development slid by a fifth,

3. Donald K. Emmerson, "Regime Survival in Indonesia: Questions for an Old New Order" (Paper delivered to a conference on Indonesia at the Fletcher School of Law and Diplomacy, Medford, Massachusetts, October 6-8, 1983), pp. 13-17.

4. Extrapolating data presented by David O. Dapice, "Dealing with the 1980s: Indonesia and the World Economy" (Medford conference paper), p. 6, and by energy minister Subroto, as reported in *Indonesia: News and Views* (Indonesian Embassy, Washington, DC), June 10, 1983, p. 6.

and continued to fall in the U.S. in 1983, though at a much slower rate. OPEC output nearly halved over roughly the same period. In 1981–83 Indonesian earnings from the export of oil and natural gas shrank by more than a fourth. Nonoil export prices also declined—in rubber and timber by nearly 25% in 1980–81 alone. While its foreign exchange reserves sank, Jakarta's debt service ratio tripled from less than a tenth in 1980 to almost a fourth in 1983. Meanwhile, the long drought of 1982, coupled with higher domestic fertilizer prices, endangered a previous pattern of climbing rice production and threatened to drain more foreign exchange into rice imports. Real Gross Domestic Product (GDP) had grown by an average annual 7.6% in 1971–81 but only 4.3% in 1982.

In 1983 Jakarta moved decisively to stem these trends, or at least to reduce the damage they could do to Indonesia. In January the government marked up domestic prices of kerosene, fuel oil, diesel oil, and gasoline by 46% on the average; took export-stimulating steps that included a controversial "countertrade" policy requiring foreign suppliers of government procurements to buy or arrange for the purchase of an equivalent value in Indonesian products; and announced an austerity budget that kept lids on civil service salaries and domestic spending for development, cut fuel subsidies by almost a quarter, and desubsidized food prices entirely, to accommodate an expected 47% upswing in expenditure to service the country's foreign debt.

In March, two weeks after OPEC lopped \$5 off the price of a barrel of oil, causing Indonesia to lose about \$1.6 billion in anticipated sales over the next 12 months, Jakarta devalued the rupiah by 28% to an official rate of 970 to the dollar. Also to attract foreign currency, beginning in April, tourists from the U.S., Canada, most of western Europe, Japan, South Korea, Australia, New Zealand, and fellow ASEAN countries were permitted to enter Indonesia without a visa for as long as two months, and the list of airports allowed to receive direct international flights was expanded. In May the government achieved a major savings in foreign exchange by postponing, cutting back, or offering to private interests some four dozen relatively large-scale and import-intensive industrial projects worth more than \$20 billion.

In June, by removing what amounted to interest rate subsidies and insurance against bad debts, the government reduced its protection of the state banks, hoping to force them, in the words of one observer, "to collect savings from the public rather than funds from the government."⁵ Steps were also taken to liberalize the climate for private banks, domestic and foreign. By allowing state banks to set their own interest rates on

5. Dapice, "Dealing with the 1980s," p. 15.

deposits, the government also meant to stem the flight of capital abroad. In another bid to entice foreign-currency deposits into the state banking system, the government announced it would no longer tax them. Finally, late in the year, parliament adopted legislation to simplify Indonesia's income tax, sales tax, and tax collection procedures. The degeneration of oil windfalls into revenue shortfalls has raised the priority on mobilizing domestic savings for investment.

Despite its external indebtedness, Jakarta was not averse in 1983 to bargaining harder with foreign traders and investors. Apart from the dramatic initiation of "countertrade" already mentioned, there were several instances of economic nationalism of a more incremental kind: the negotiation of an 88-to-12% oil production split between the government and Caltex (up from 85-to-15% previously, though harderliners in Sudharmono's state secretariat reportedly wanted to hold out for 90-to-10%); the taking over by the state oil company (Pertamina) of certain Sumatran fields covered by a contract with Stanvac that expired in November; and the decision to indigenize further the work force by quadrupling the \$100 monthly fee required of foreign firms for every long-term expatriate worker on their payrolls whose job could be done by an Indonesian.

Domestic economic reforms and improving world markets should speed Indonesia's recovery. Writing in midyear, a team of macroeconomic modelers at the Asian Development Bank (ADB) forecast a rising trend in real GDP growth from around 4% in 1982 to about 5% in 1983 to slightly more than 7% in 1984, and anticipated constant-rupiah gains in oil and nonoil exports of roughly 10% and 20%, respectively, in 1983 and 1984.⁶ Less optimistically, the ADB team predicted that inflation, accelerated by the March devaluation, would advance about 20% in 1983 and about another 23% in 1984; but by the end of 1983 these estimates appeared far too high. Preliminary data for 1983 showed an inflation rate of only 13%—remarkably low considering not only the devaluation but the deregulation of domestic food and fuel prices—while the country's trade balance was expected to finish the year solidly in the black.

Indonesian officials themselves have predicted annual rates of economic growth of 4–5% during the Fourth Development Plan (1984–89), while the World Bank has projected a pace as fast as 5.5% depending on favorable world conditions and appropriate domestic policies. "While this is slow growth compared to the 1970s," notes one economist, "it will double per capita income in 20 years, and is probably acceptable if

6. J. M. Dowling et al., *Economic Forecast for Indonesia* (Economics Office Report No. 18, Asian Development Bank, Manila), June 1983, pp. 1–2.

employment growth is also rapid.”⁷ In 1983, while world oil prices held reasonably firm, Indonesia’s nonoil exports and domestic savings arose 23% and 63%, respectively, according to the Central Bank, which also reported that despite further declines in oil and gas exports, total foreign exchange reserves at year’s end amounted to \$8.7 billion—up from \$7.0 billion at the close of 1982.

Much of the alleviation of Indonesian difficulties in 1983 could be attributed to the resumption of economic growth in the industrialized countries. But Indonesia also helped itself; its austerity measures made the most of an improved trading environment. No less important was the psychological confidence-building role of Jakarta’s initiatives, such as the record total \$2.2 billion in assistance pledged in June by foreign donors in the Inter-Governmental Group on Indonesia—a figure \$200 million higher than the level recommended by the World Bank.

This is not to minimize Indonesia’s predicaments. Every year 1.5 to 2 million more people join the labor market. By the end of the century, despite family planning to slow the birth rate and transmigration to shift people to the outer islands, the population could reach 220 million, of whom more than three-fifths may be trying to live on Java’s 7% share of the nation’s land—including an estimated 16 million in the city of Jakarta, already Southeast Asia’s largest. Despite the 1983 reforms, the economy still suffers from bureaucratic corruption, transportation bottlenecks, and other impediments to effective resource allocation. Since the first five-year plan began in 1969, gains in petroleum and agriculture have not been matched by progress in building an industrial sector efficient enough to hold its own in world markets. Nevertheless, in 1983 not only were political changes made for continued stability; significant economic changes were made for the sake of continued growth.

Foreign Affairs

Compared to politics and economics, foreign affairs stayed mainly in the background in 1983. U.S.-Indonesian relations, disturbed in 1982 by conflict over the appointment of an American envoy to Jakarta, got off to a promising start when former assistant secretary of state John Holdridge presented his credentials to President Soeharto in February, filling an ambassadorship that had been vacant for almost a year and a half. But discord arose over President Reagan’s travel schedule later in the year.

The original plan had been to add Indonesia to a trip to Japan and South Korea, but Reagan’s itinerary was subsequently extended to in-

7. Dapice, “Dealing with the 1980s,” p. 17.

clude Thailand and the Philippines as well. Some Southeast Asian officials may have considered presumptuous a suggestion from Washington that the heads of state of the Association of Southeast Asian Nations (ASEAN) might wish to gather in Jakarta to meet the U.S. president. Instead, it was agreed that Reagan's visit to Jakarta would take place in conjunction with an ASEAN foreign ministers' meeting in that city. But the assassination of Philippine opposition leader Benigno Aquino in August, and the massive antigovernment demonstrations that followed in September, led the White House to reconsider the Manila visit. Ultimately, Jakarta and Bangkok fell victim to Washington's desire not to embarrass Philippine President Ferdinand Marcos by skipping Manila alone. In October, on the anniversary of Soeharto's successful 1982 trip to the U.S., the White House decided to postpone indefinitely all three of Reagan's Southeast Asian stopovers. Unwelcome in any case, the bad news was made worse by the way in which it was delivered. Several key Indonesians were clearly miffed: The hospitality of Southeast Asia's largest and most resource-rich nation appeared to have been sacrificed to American solicitude for Marcos (a man for whom Soeharto reportedly has little personal regard).

The affair, at first glance, seems insignificant. The underlying mutuality of U.S.-Indonesian strategic and economic interests has not been damaged. Reagan obviously did not intend to hurt feelings in Jakarta, but rather felt constrained by events for which, as both sides realize, neither he nor Soeharto was responsible; had Aquino not been killed, the schedule would have been kept. But the refusal of hospitality is a more serious breach of etiquette for Indonesians than for Americans, and Jakarta, unlike Manila or Bangkok, has not been allied to the U.S. by treaty, which raises the relative importance of high-level personal rapport. The episode could also be dismissed and forgotten sooner if Reagan were not planning to visit the People's Republic of China (PRC) in April 1984.

At least as long as Indonesian relations with the PRC remain suspended, Jakarta will remain sensitive to hints of collusion between Washington and Beijing, as evidenced at the International Conference on Kampuchea in 1981, when American policy appeared to tilt away from ASEAN toward the PRC. The possibility that Washington could expedite the sale of defense-relevant U.S. technology to Beijing, for example, compared with Jakarta's hitherto unrequited interest in obtaining high-performance American military aircraft, unsettles those Indonesian leaders who identify the PRC as their country's greatest long-run adversary, not Vietnam or the USSR. Nor are the Indonesians who feel this way necessarily assuaged by the counterargument that the Reagan administra-

tion has no more intention of arming Beijing than Jakarta has the need or the money to buy F-16s.

In the light of such misgivings, Jakarta seems unlikely to want to welcome in April 1984 an American president fresh from Beijing, and by then the U.S. presidential campaign will have begun to narrow the White House's span of attention at the expense of countries that rarely make even the inside pages of American newspapers. A worsening of the Philippine situation could, of course, reattract U.S. attention to South-east Asia, but not necessarily to the benefit of relations with Indonesians who would like to see their country taken seriously in its own right. Mitigating such doubts in 1983, in any event, was a broad range of U.S.-Indonesian cooperation: from increased food aid under Public Law 480 to the launching of Indonesia's second-generation communications satellite, Palapa-1B, by astronauts aboard the shuttle Challenger.

Nor were the differences between Washington and Jakarta as serious as those introduced into Jakarta-Canberra relations by the election of an Australian Labor government in March, since the winning party had gone on record against the Indonesian occupation of East Timor. Through successive visits to Indonesia by foreign minister William Hayden, prime minister Robert Hawke, and an Australian parliamentary delegation, Canberra sought to work with Jakarta to defuse the East Timor issue. From Hawke's standpoint, though self-determination was in principle desirable, good relations with Indonesia were too important to be sacrificed to the unrealistic idea that East Timor's absorption by Indonesia could be reversed. By August Jakarta had some reason to hope that Australia would reaffirm the policy of the previous Liberal-National government, which had sided with Indonesia on the Timor question in every U.N. General Assembly since 1978. But the level of violence on the island rose sharply that same month, when Timorese civil guards who had belonged to the liberation movement killed 14 Indonesians in a military engineering unit, triggering major reprisals by the occupiers.

Relations were further chilled by Canberra's decision not to sponsor ASEAN's annual U.N. General Assembly resolution to seat the anti-Vietnamese Kampuchean resistance movement, although Hawke did promise not to extend development aid to Vietnam without consulting ASEAN first. As for East Timor, the Assembly did not vote on that issue at all, breaking a string of anti-Jakarta resolutions adopted annually since 1975 and relieving Canberra of the need to choose between *realpolitik* on its northern flank and pressure from its domestic left.

Considering that the margin of victory in the U.N. for the anti-Indonesian position had declined from 62 recorded votes in 1975 to only four in 1982, the deferral of the resolution in 1983 may have saved its

proponents from defeat. If so, and if the fighting and the violation of human rights should diminish or go unnoticed in 1984 and afterwards, East Timor may turn out to have been written off the international agenda.

On the other hand, persisting tensions with Papua New Guinea (PNG) over the status and treatment of the tribes in Irian Jaya, whose incorporation into Indonesia is already two decades old, underscore both the durability of autonomist sentiment in such a vast and disparate archipelago and the tendency for internal security to implicate, or at least to interest, outsiders. Several incidents tested PNG-Indonesian relations in 1983: a border violation by Indonesian trans-Irian highway builders; a statement by PNG defense minister Epel Tito that he expected an invasion within 20 years; and the trial in Port Moresby of an Irian Javan, Simon Allom, charged with murdering an Indonesian embassy employee.

But these episodes were not allowed to get out of hand. A joint investigation led Jakarta to regret and to promise to correct its apparently inadvertent transgression of the Irian-PNG border. PNG prime minister Michael Somare reprimanded and demoted his outspoken defense minister. At the murder trial in Port Moresby, the defendant was found guilty and sentenced to 14 years in prison.

Indonesia and Japan kept their relationship in generally good shape throughout the year. In May Japanese prime minister Yasuhiro Nakasone visited Jakarta on a tour of the ASEAN states, whose leaders appreciated the prime minister's assurance that any Japanese military build-up would be defensive only and would not compromise the sovereignty or security of the nations fringing the South China Sea. Nakasone also offered Soeharto fresh credits, rice aid, and grant aid, and pledged to try not to let Indonesia's share of Japan's shrinking oil imports fall below 15%.

On Kampuchea, Indonesia made no particular effort to break the existing deadlock, although some ASEAN leaders informally urged the U.S. to do so. But Washington was disinclined to get out in front of ASEAN on the issue. Despite newly appointed armed forces commander Murdani's previous association with efforts to negotiate with Hanoi in hopes of strengthening its role as a buffer against long-term Chinese expansion, Jakarta showed no signs of leaning toward reconciliation with Vietnam. If anything, Indonesian attitudes toward Vietnam on Kampuchea appeared to harden somewhat during the year, possibly from frustration over Hanoi's perceived intransigence. In this context, despite continuing talks, the Indo-Vietnamese sea-boundary dispute north of the Natuna islands remained unresolved.

In September, as expected, the U.N. General Assembly voted overwhelmingly to seat the anti-Vietnamese, ASEAN-backed Kampuchean resistance coalition. In December President Soeharto traveled to Malaysia and Singapore for talks on regional issues. Those conversations seemed unlikely to lead to a major effort to break the deadlock with Vietnam over Kampuchea. But the new year could see Indonesia adopt, privately within ASEAN, a slightly rising profile, given the Association's continuing inability to dislodge Vietnam from Kampuchea, the economic and political instability of the Philippines under Marcos, and the accession to membership in ASEAN of Brunei, a state whose regional affinities are not yet clear and whose royal oligarchy could prove controversial as more and more Bruneians are enabled by travel and education to compare their regime with others.

Finally, on the matter of maritime sovereignty, 1983 proved anticlimactic. In December 1982 in Jamaica, 117 countries had signed a comprehensive law-of-the-sea convention that in effect recognized Indonesia's claim to be a unified archipelagic state. By internalizing all of the waters within baselines drawn between the outermost points of its outermost islands, the claim would transform Indonesia, already the world's fifth largest nation by population, into the seventh largest by area. The convention also included provisions for maritime boundary demarcation, sea-resource exploitation, and the drawing of ship-traffic lanes through archipelagic waters. Indonesians have long referred to their country not as a "homeland" but a "homelandwater" (*tanabair*); by the end of 1982, they had gained global support for that self-definition.

The signing in Jamaica capped a campaign for recognition of Indonesian maritime sovereignty dating back to 1957 when the archipelagic concept first surfaced, and marked a personal triumph for foreign minister Kusumaatmadja, who had spent much of his academic and diplomatic career elucidating and promoting the "homelandwater" principle. By the end of 1983, however, fewer than a dozen states had actually ratified the Jamaica convention, none of them Asian and only two (Fiji and Mexico) in any sense Pacific. Although this tempo could be expected to quicken in 1984, the requisite 60 ratifications needed to put the treaty into effect seemed unlikely to be reached before 1985 at the earliest.

Having declined to sign it in 1982, the Reagan administration continued to oppose the treaty in 1983. But Jakarta and Washington appeared to understand each other's position. Indonesia seemed willing more or less to ignore U.S. nonrecognition of the archipelagic concept in return for American willingness to help put the idea into practice—for example, by providing the communications and surveillance systems necessary to control the movement of traffic in, on, and above Indone-

sian waters. In the context of such cooperation, and considering the economic and military links between the two countries, the delicate question of advance notification of the passage of American warships through Indonesian straits is unlikely to become a source of major antagonism, at least for the time being. Remaining to be seen are whether and how the U.S. will accommodate Indonesian maritime nationalism in the longer run.

Conclusion

Three hundred sixty-five days are an arbitrary period into which to read a coherent theme. Nor is it easy to pinpoint the historical significance of a year only just over. But the events of 1983 are perhaps most aptly viewed in the light of questions that observers of Indonesian affairs can be expected to pose with increasing frequency in the second half of this decade: When will Soeharto be replaced, and by whom? How well and with what political consequences will the economy adjust to slower growth? How intensely will Indonesian nationalism be expressed, and with what implications for foreign policy? (In contrast, in the 1970s, the New Order appeared reasonably stable under the leadership of a younger Soeharto; the oil boom generated rapid economic growth; and the still-fresh memory of the instability and poverty associated with rhetorical hypernationalism under Sukarno supported the case for an open door to Japan and the West and a low profile in Southeast Asia.)

The subtitle of this synopsis, *plus ça change, plus c'est la même chose*—the more things change, the more they stay the same—is not meant to be cynical. In 1983 the New Order did not stagnate under a semblance of reforms. Neither did it overexert itself to the point of “regime fatigue.”⁸ Rather, the changes in military and cabinet leadership, the measures to strengthen the economy, and the achievements in foreign policy served to consolidate the regime against future challenges. If the admittedly scant evidence of one year's trends can be extrapolated, this strategy of continuity through change may prepare the way for Soeharto to be succeeded by another army officer sometime later in this decade or early in the next, for the economy to gear down without overly destabilizing the polity, and perhaps for Indonesia to assert itself somewhat more in regional affairs. The “bottom line” is that in 1983 the New Order became more likely to survive its founder.

8. Guy J. Pauker, “Indonesia in 1980: Regime Fatigue?,” *Asian Survey*, 21:2 (February 1981), pp. 232–244.

THE PHILIPPINES IN 1983

Authoritarianism Beleaguered

G. Sidney Silliman

As 1983 drew to a close, the regime of President Ferdinand Marcos was facing the major test of its rule. Demonstrations of opposition were an almost daily occurrence; the economy was in its worse crisis since the regime came to power in 1965; and Marcos was rarely seen outside the presidential palace. The immediate catalyst was the assassination of Benigno S. Aquino, but earlier events revealed the vulnerability of the Marcos government. The continuation of authoritarianism, cronyism, and the renewal of the bases agreement with the United States provided focal points for the opposition's criticism. The Philippine economy continued the poor performance of 1982 and led to the government's increased dependence on foreign financial institutions. Persistent reports of Marcos' ill health heightened the uncertainty surrounding the future of the regime.

Authoritarian Rule

In spite of the lifting of martial law, Marcos has initiated measures to consolidate and maintain the powers attained during that period, and 1983 witnessed a continuation of Marcos' exercise of authoritarian powers. In the first six months of the year, the regime continued the crackdown begun in 1982 on social activists, political organizers, and newsmen. Among those detained were Aquilino Pimentel (the mayor of Cagayan de Oro City and organizer of the opposition Pilipino Democratic Party), Karl Gaspar (executive secretary of the Roman Catholic National Secretariat for Social Action), and Antonio Nieva (a former editor of and union leader at *Bulletin Today*). Nieva was the 24th journalist to be interrogated by the military since December 1982.¹

G. Sidney Silliman is Professor of Political Science at Chaffey College, Alta Loma, California.

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1. "Swoops on Mayor, Writer, Activist," *Asiaweek*, April 29, 1983, p. 14.

Such arrests are frequently exercised under a Presidential Commitment Order (PCO); in April the Philippine Supreme Court had reaffirmed the absolute arrest, detention, and release powers of President Marcos by declaring that PCO's issued against people suspected of crimes related to national security are valid and legal and therefore require no judicial review. The court also ruled that bail can be denied to those charged with crimes of rebellion or insurrection.² In effect, the two rulings closed the doors of the courts to petitions for habeas corpus brought by persons held for indefinite periods under the PCOs or by relatives of missing persons believed to be held under PCOs.

On August 5, in anticipation of a critical pastoral letter, Marcos abolished the PCO, but, by means of a new decree, still maintained the power to incarcerate anyone overtly critical of his regime through a Preventive Detention Order (PDA). Though detention under a PDA is for one year and is to be channeled through the judiciary, Marcos can continue to detain anyone "who has committed, is committing, or is about to commit insurrection, rebellion, subversion, or conspiracy." Even if an accused person has been acquitted or has served a legal sentence, the authorities can decide that the person will do the same thing as before and order a further period of detention.³

With regard to cronyism, in spite of the feeling of some observers that Marcos is shifting away from "crony capitalism," three presidential orders gave economic advantages to businessmen close to the president. In January Marcos signed a presidential decree ordering the lowering of import duties on acetate tow, which directly benefits Herminio Disini's Philippine Tobacco Filters Corporation, the country's largest producer of cigarette filters. Marcos also extended the validity of a letter of instruction permitting Roberto Benedicto's Banahaw Broadcasting to continue to import knocked-down parts for the assembly of television sets. Then in May Marcos signed a presidential decree that expands Eduardo Cojuangco's control over the coconut industry further into cocochemical production and gives his companies a monopoly on the import of petrochemical products. In each instance the decrees not only provided economic benefits to Marcos' cronies but also bypassed the legislative process, cabinet discussion, and Executive Committee preparatory analysis.⁴

In foreign policy the Marcos government entered into a new five-year agreement to allow the United States continued use of military bases in

2. Sheila Ocampo-Kalfors, "The Rot in the Writ," *Far Eastern Economic Review* (FEER), June 2, 1983, pp. 38-39.

3. Guy Sacerdoti, "Law of the Jungle," *FEER*, August 25, 1983, p. 14.

4. Guy Sacerdoti, "Favouritism Still in Favour," *FEER*, June 30, 1983, pp. 50-51.

the Philippines. The agreement will compensate the Philippines with \$900 million in security assistance for a five-year period beginning October 1, 1984. This is an increase of \$400 million over that negotiated for and begun in October 1979. Under the new agreement, \$475 million is for an economic support fund to improve conditions around the bases; \$300 million will be in the form of foreign military sales credits to be repaid at low interest rates over thirty years (thus extending the repayment period beyond the 1991 expiration date of the bases treaty); and \$125 million will be in military assistance.⁵

As part of the agreement, Washington consented to "prior consultation" on military combat operations, to Filipino commanders having access to all areas of the U.S. bases "except cryptographic areas and areas where classified equipment or information is located," and to the U.S. informing Manila on current levels of U.S. forces permanently stationed in the Philippines and about their equipment and weapons systems. It was also agreed that members of the U.S. military are to be instructed to respect the laws of the Republic of the Philippines and to abstain from any political activity in the Philippines.⁶ Finally, it was agreed that the two governments establish a joint committee to resolve issues involving implementation.

Each of the above policies produced criticism, strained state relations with the Catholic Church, and led to the formation of new opposition organizations. While for economic reasons Filipinos living close to U.S. bases probably support their presence in the Philippines, the issue has provided a focal point for opposition to the regime and its policies. The Filipino Anti-Bases Coalition, formed in February, argues that the American bases in the Philippines represent imperialism, threaten national security, and have led to a brothel economy in adjacent towns.

Issues of human rights, especially arbitrary detention and military abuse of civilians, produce other criticisms of the government. At its January 17, 1983, meeting, the Catholic Bishops Conference of the Philippines (CBCP) decided to withdraw from the Church-Military Liaison Committee. Although the Bishops Conference said that it was not discontinuing its dialogue with the government, it was ending discussions with the military because these had proven useless.⁷ In February the CBCP issued a pastoral letter criticizing the government for repression and warned it against torturing and killing political opponents. The

5. "Manila to Get \$900 Million in Accord on Bases," *New York Times* (NYT), June 1, 1983, Part I, p. 6.

6. Sheila Ocampo-Kalfors, "An Acceptable Price," *FEER*, June 16, 1983, pp. 30-31.

7. Sheila Ocampo-Kalfors, "More Sinned Against," *FEER*, February 10, 1983, pp. 10-11.

withdrawal from the Liaison Committee and the pastoral letter marked a low point in church-state relations.⁸ In May civil rights lawyers petitioned the Supreme Court for the publication of what they said were more than 1,000 secret decrees and orders issued by President Marcos during the decade under martial law. In June representatives of various opposition groups issued a Declaration of Common Principles calling for the replacement of Marcos with a democratic government based on free elections, free speech, a free press, and the right to organize.

The Economy

But the government's principal vulnerability was the Philippine economy. Overall, growth in 1983 is expected to be no more than the 2.6% achieved in 1982, marking the economy's second year of negative per capita growth. Foreign debt reached approximately U.S. \$18 billion by mid-year.

One variable in the poor performance of the economy was a decline in the terms of trade. Even with prices for the Philippines' export commodities rising, the country was hit by a drought that significantly reduced production levels, and lower-than-expected exports resulted in the continuation of the problem with balance-of-payments deficits. Another variable in the deteriorating position of the economy has been the drain produced by the government's policy of bailing out distressed firms, particularly those of President Marcos' cronies. In 1983 this problem was compounded by the government's takeover of the Construction and Development Corporation of the Philippines. Government financial institutions paid out an estimated 6.2 billion pesos (\$659.6 million) to cover obligations of CDCP, which amounts to a wholesale write-off of that expenditure.⁹

Part of the government's response to the economic problems was to turn to the International Monetary Fund (IMF) to finance the large balance-of-payments deficit. In February the IMF approved a package of 503 million special drawing rights (\$548 million), \$188 million of this in the form of a Compensatory Financing Facility and \$315 million in standby credit.¹⁰

But in return for the special drawing rights, the IMF demanded policy changes on the part of the Philippine government. The program, accepted by Manila's technocrats, came under attack from both the opposition United Nationalist Democratic Organization and from Marcos'

8. "Catholic Bishops Assail Marcos Regime," *NYT*, February 17, 1983, Part I, p. 3.

9. Guy Sacerdoti, "A Bailed-Out Case," *FEER*, March 14, 1983, pp. 78-79.

10. Guy Sacerdoti, "Manila Put On Standby," *FEER*, April 7, 1983, pp. 40-43.

Kilusang Bagong Lipunan (KBL) party, prompting Prime Minister Virata to submit his resignation in mid-May.¹¹ But the President chose not to accept it, and the evidence is that Marcos had veered toward the policies favored by the IMF, the World Bank, and the Philippines' commercial creditors.

In the first week of 1983, the foreign-debt ceiling for the year was reduced from \$2.3 billion to \$2 billion, a 3% ad valorem tax was imposed on all imports, prepayment of customs duties on imports was required, and some impediments on the free flow of agricultural exports were reduced.¹² In a Marcos-backed decision, Virata refused to provide an additional \$2 million needed by Mrs. Imelda Marcos to fund her January film festival. In February Marcos directed top government officials to voluntarily cut their salaries by 10% and urged workers not to demand unreasonable wage increases.

In further pursuance of austerity policies and with an eye on an upcoming Paris meeting of aid donors, the government deferred four of its major industrial projects, cut another project in half, and indicated that two others face the prospect of possible pruning. Marcos also eliminated local fuel subsidies with across-the-board increases for petroleum products and, in July, devalued the peso by 7.3% against the U.S. dollar. Both moves came after the poorer-than-expected performance of the current-account and balance-of-payments deficits during the first five months of the year. The latter decision came at the end of a visit by IMF economists conducting a mid-term review of the Philippines' performance in meeting targets.

In early August the government presented a no-growth budget for 1984. At 59.5 billion pesos, the budget is below the 1982 allocation, is 8.5% under the originally planned 1983 budget of 65 billion pesos, and is designed to meet the IMF target of a deficit of 9.4 billion pesos.¹³ While there are significant increases in allocations for local government and the rural-based Kilusang Kabuhayan at Kaunlaran (national livelihood program)—probably as pork barrels for the National Assembly elections in May 1984—the budget appeared to be partly designed with an eye to the Philippines' foreign creditors. Capital expenditures are, for example, to be cut by 11% below the revised 1983 budget.

Such austerity measures appeared to be having a beneficial effect in terms of international financial support for the regime. In July the World Bank-sponsored consultative group of aid donors to the Philippines

11. "Virata's Men: The Pressure Mounts," *Asiaweek*, May 20, 1983, p. 18.

12. Guy Sacerdoti, "Marcos Murmurs 'Cut!'," *FEER*, January 20, 1983, pp. 48–49.

13. Guy Sacerdoti, "Cutting the Cloth," *FEER*, August 11, 1983, pp. 49–52 *passim*.

agreed to aim for a higher level of backing for 1984 than the \$1.2 billion that Manila received in 1982 and 1983.

The Aquino Assassination

But the aftermath of the events of August 21 dramatically demonstrated the government's vulnerability. Returning to the Philippines after three years of exile in the United States, opposition leader Benigno Aquino was slain while in the custody of government guards just after stepping off a plane at Manila International Airport. While Aquino's immediate goal was to organize the opposition for the May 1984 parliamentary elections, his long-term purpose was to persuade President Marcos to loosen the reins of authoritarianism and institute national reforms that would lead to a national reconciliation and a peaceful transition to democracy. It was Aquino's position that Marcos was the key to such a transition and that a return to the Philippines in 1983 was both urgent and timely because of deterioration in the Philippine economy, the declining health of Marcos, and the fragmentation among the opposition.¹⁴

The government's explanation of the assassination is full of evasions, contradictions, and discrepancies. But the government denies that it had any part in the slaying and claims that Aquino was killed by a professional hit man (who, in turn, was reportedly killed by a fusillade of bullets from the security men surrounding Aquino) under the direction of communist subversives. Many Filipinos are skeptical of the official version, and opposition spokesmen, claiming that there are eyewitnesses who saw government security personnel shoot Aquino, pointedly state that the former senator was killed at the direction of top officials. There is also widespread skepticism that the investigation panel appointed by Marcos will reveal what actually occurred and who ordered the assassination.

The most immediate consequence of the assassination was the unleashing of public opposition to the Marcos regime. The murder was the catalyst for the expression of long-held feelings that it is time for a change, and it marked a waning of the authority of national leadership. An estimated one million people lined the route to the cemetery where Aquino was to be buried, and in the weeks following, there were well-attended and largely peaceful demonstrations almost daily in Manila and in other parts of the country calling for justice for Aquino, national reforms, an end to the role of the United States in the Philippines, and Marcos' resignation. These demonstrations are, by far, the largest and most frequent since the declaration of martial law in 1972.

14. Ken Kashiwara, "Aquino's Final Journey," *New York Times Magazine*, October 16, 1983, pp. 42-43.

The outburst of anti-Marcos sentiment has spurred new opposition organizations. Justice for Aquino, Justice for All is the umbrella group coordinating many of the demonstrations. The Nationalist Alliance, formed in November, is an organization of small "nationalist" groups that advocate the expulsion of U.S. military bases and curbs on multinational companies.

Criticism has also come from the Catholic hierarchy. Timed to coincide with the birthday of Aquino on November 28, the CBCP issued a pastoral letter urging Marcos to end his repressive decrees that violate human rights: the "heinous" assassination of Aquino, the nation's economic crisis, the "widespread clamor for justice" by protesters, and unexplained killings "have pushed our country closer to the brink of chaos and anarchy."¹⁵ While Cardinal Jaime Sin, the Archbishop of Manila and the head of the Catholic Church, has maintained his role as a constructive channel of communication with the President, he too is calling for change. In September Sin proposed to Marcos a broad-based council of national reconciliation to advise the President and called for "the full restoration of the rights of the people to free elections, free press, independent judiciary," and a "thorough and impartial public investigation" into the murder of Aquino.¹⁶

The notable difference from the past, however, is that since the assassination of Aquino, the critics of the regime have been joined by members of the Philippine business community. Makati, the financial district of Manila, has been the scene of repeated demonstrations by executives and office workers. The Philippine Chamber of Commerce, rarely critical of the government, sent a letter to Marcos complaining that the climate of "uncertainty" growing out of the Aquino slaying was stifling economic progress.¹⁷ A report to President Marcos from the Philippine Business Conference noted that the country was facing its most critical period in economic history and called for political changes—an independent and honest judiciary, restoration of public constitutional rights, relief from pervasive militarism, and clear legal provisions for a successor to the President—to restore domestic and international confidence in the Philippine economy.¹⁸

15. "Bishops Warn Marcos of 'Chaos,' Rights Abuses," *Los Angeles Times*, November 26, 1983, p. 24.

16. "Marcos Says Army Will Use Force to End All Illegal Protest Rallies," *NYT*, September 26, 1983, Part I, p. 8.

17. Bob Spector, "Life Less of a Party for Marcos—Opposition Growing," *Los Angeles Times*, September 19, 1983, p. 7.

18. Robert Trumbull, "Marcos Criticizes Business Leaders," *NYT*, November 11, 1983, Part I, p. 3.

The key to the actions of Filipino businessmen is that the aftermath of the killing of Aquino produced domestic and international lack of confidence in the ability of the government to cope with its political and economic problems. One index was a flight of capital from the Philippines. In the weeks after August 21, there was an estimated \$700 million capital outflow because of the nonrenewal of short-term revolving credits and exits through the black market.¹⁹ International reserves slumped from \$2.4 billion to just about \$600 million in the eight weeks following the assassination.²⁰ Subsequently, foreign reserves have become even scarcer, raising the prospect of production cutbacks and massive worker layoffs because of the inability of industry to import raw materials.

Faced with the prospect of not being able to meet its foreign obligations, the Philippines secured from its more than 350 creditors a 90-day moratorium on the payment of foreign debt repayments due between October 17, 1983, and January 16, 1984. The balance-of-payments deficit had soared to \$2 billion by mid-October, more than it had ever been before for an entire year, and under pressure from the International Monetary Fund, the Philippines was forced to devalue the peso from 11 to 14 pesos per dollar. To cushion the 21.4% devaluation, the government announced a freeze on the price of key commodities and a delay in the implementation of the increase in the minimum wage. Yet the average Filipino was hard hit as prices of food stuffs increased, if available. The foreign debt figure was revised upward to \$24 or \$25 billion.²¹

Politically, the most significant consequence of the Aquino assassination is that President Marcos is no longer firmly in control. Marcos' virtual confinement to Malacanan palace since August 21 prompted rumors that he was seriously ill. More concrete symbols of lessened control are reversals in policy toward the opposition. The government's early posture toward the demonstrations was characterized by limited use of force. But Marcos retracted his policy of "tolerance" in late September: Demonstrators were met by canisters of tear gas thrown by club-wielding and gun-carrying antiriot squads; the editor/publisher of *The Philippine Times* was arrested after publishing articles suggesting that the Philippine military was involved in the assassination of Aquino; and Marcos ordered the filing of smuggling and currency violation charges

19. Guy Sacerdoti, "The Crunch Comes," *FEER*, October 20, 1983, p. 66.

20. "Dialogue: Knock on Wood," *Asiaweek*, October 20, 1983, p. 22. A later report in the *Wall Street Journal* (December 19, 1983) says that the Philippines overstated foreign-exchange reserve figures in order to win loans and keep foreign investment, and that capital flight after the Aquino murder totaled only \$400 million.

21. Bob Secter, "Manila—Workers Feel Crisis Pinch," *Los Angeles Times*, December 2, 1983, p. 19.

against 33 industrialists and businessmen who had met with him to ask for major reforms.²² Marcos later reversed his tough posture, allowing the Makati district, for example, to police its own demonstrations.

The parameters of decision making have also broadened somewhat. For the first time in eleven years, the Philippine Supreme Court ruled against the Marcos government, granting the opposition permission to stage a demonstration against U.S. military bases. Former Chief Justice Roberto Concepcion, Cardinal Sin, and Assemblyman Arturo Tolentino each refused to serve on the panel of inquiry into the assassination of Aquino, and the members of the original panel resigned under a cloud of doubt as to their independence. At the end of the year, the ruling party and the National Assembly endorsed a proposal, for plebiscite approval in January 1984, to restore the office of vice president and to establish the Speaker of the Assembly as the president's successor should the president die or become incapacitated. The adoption of the proposal to restore the vice presidency, opposed by Marcos, appeared to be a concession to those members of the Philippine business community and of the National Assembly who had advocated the change since Marcos agreed to leave the decision to a caucus of the KBL.²³ Philippine military leaders are now attending Cabinet and Executive meetings, the first time in the history of the regime that the military has formally participated in the decision-making process.

Given the current crisis and the persistent reports of President Marcos' ill health, the key question is whether the regime will survive and, if it does not, who is likely to replace him. Of greatest relevance to the succession scenario is Mrs. Marcos' November resignation from the Executive Committee (a position that made her a potential candidate for the presidency) and her renunciation of any ambition to succeed her ailing husband. The action confirmed her earlier declaration that she would quit politics at the expiration of her legislative term in 1984. Equally important is the decline in power of Defense Minister Juan Ponce Enrile; the Marcos' stalwart lost out in a July power struggle with Armed Forces Chief of Staff General Fabian Ver.²⁴ Enrile is also reportedly at odds with Eduardo Cojuangco, a Marcos crony, and Enrile's future in the cabinet is now in doubt.

Despite the crises facing the regime, it would be incorrect to conclude that there will be an immediate change in national leadership. President

22. "Marcos Cracks Down on Business Leaders," *Los Angeles Times*, November 15, 1983, p. 4.

23. Robert Trumbull, "Filipino Anxieties on Leaders Ease," *NYT*, November 22, 1983, p. 6.

24. *FEER*, September 8, 1983, p. 11.

Marcos is unlikely to resign, the moderate opposition lacks the power to force him out of office, and there are no major splits apparent among the ruling elite. Even though President Reagan canceled his scheduled visit to Manila, and the United States is gloomy about the Philippines' prospects and critical of Marcos' handling of the crises, the United States has not withdrawn its support from the regime.²⁵ The Moslem revolt in the Southern Philippines has ebbed. Although the strength of the New Peoples Army (NPA) has increased (an estimated 6,000 to 10,000 guerrillas are now armed), it is not strategically prepared to lead an immediate mass insurrection.²⁶ In any succession scenario, the role of the Philippine military will be pivotal. Yet the concession by Marcos on the vice presidency issue, Imelda Marcos' declaration that she will quit politics, and the fact that "differences of policy have never prevented Filipino politicians from working toward a common goal,"²⁷ may lead to some sharing of power with the moderate opposition. Therefore, although 1983 closed with the Philippines' authoritarian regime beleaguered, it is not yet curtains for President Marcos.

25. Paul Quinn-Judge, "U.S. Views Marcos With Gloom, Skepticism," *Christian Science Monitor*, November 4, 1983, p. 1.

26. Nancy F. Rocamora, "Days of Rage Rock Manila. 'Is the Revolution Here?'," *Ang Katipunan*, October 1983, p. 7.

27. Carl H. Lande, "A Democratic Alternative to Marcos," *Los Angeles Times*, October 14, 1983, Part II, p. 7.

PAPUA NEW GUINEA IN 1983

Pangu Consolidates

_____ Peter King

Australian Aid

As recounted in the 1982 review article, the economic hopes of Papua New Guinea (PNG) for 1983 rested largely on a request for deferral of Australian aid cuts; but the sudden change of government in Australia following the March 1983 snap election introduced some uncertainty into Canberra's negotiations with Port Moresby. In the event the new Labor Party government of Robert Hawke lived up to a preelection undertaking given by William Hayden, Labor's Foreign Affairs Minister, and deferred most of the PNG aid cuts projected for the remainder of the five year aid agreement, which runs to 1986. The new aid formula sets 1983 aid at 207 million Kina, to be reduced in real terms by 1% in 1983-84 (giving a 1984 aid figure of K 225.9 million—about U.S. \$250 million—allowing for inflation), 2% in 1984-85, and 3% in 1985-86. The original 5% rate of decline of Australian aid was to be restored, by degrees, only if the depressed copper prices of the early 1980s rose significantly¹ (levies on the Bougainville copper mine had provided about a third of PNG government revenue in the boom years of the late 1970s).

Thus the new Australian government showed itself as willing as its conservative predecessor to sustain at some cost in a time of economic recession the intense but still arms-length economic relationship with independent Papua New Guinea. Australian aid remained exclusively non-project except in the area of defense cooperation, but untied Australian budgetary support was nearly 30% of the estimated 1984 budget, 3% higher than in 1983.

Peter King is Professor in the Department of Government, University of Sydney, Sydney, Australia. The author was Professor of Political and Administrative Studies, University of Papua New Guinea, Port Moresby, PNG, until December 1983.

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1. *Budget Speech 1984*, p. 13; National Planning Office, *National Public Expenditure Plan, 1984-87*, p. 34.

The Return of Okuk

Increased aid was the good news for the Pangu Party government of Michael Somare in the first half of the year. The bad news was that Somare's arch-rival, the former Deputy Prime Minister and former National Party leader, Iambakey Okuk, who had lost his Chimbu Provincial seat in the 1982 national elections, worked his way back into the National Parliament in July. Okuk had fought a hotly contested by-election among his wife's Wantok (language) group for the Unggai Bena Open Seat of Eastern Highlands Province.² Following a triumphal return to Port Moresby, Okuk announced plans to overthrow the Pangu government,³ and was acclaimed, rather than reelected, National Party leader when his nominated successor, or stand-in, ex-General Ted Diro, stepped aside and resumed the leadership of his own, mainly Papuan, PNG Independent Group. Likewise the leadership of the Opposition was passed to Okuk by Diro in an extraordinary episode at the beginning of the August sitting of Parliament without any formal consultation among the opposition parties.⁴ These parties nevertheless quickly accepted the Diro/Okuk *fait accompli*,⁵ and a search for the numbers to mount a vote of no-confidence against Pangu began under Okuk's leadership.

The strategy employed was quite complex, but scarcely inspiring. First, Okuk set out to entice Highland defectors from the Pangu camp, and scored a few successes in the following three months.⁶ Second, he hoped to entice the United Party to defect as a bloc from its coalition of convenience with Pangu; and, third, he encouraged the formation of a new trans-party bloc of 21 Papuan region members, the Papuan Solidarity Group, under the leadership of the former Papuan separatist, Mahuru Rarua Rarua. The bloc included some important Pangu members.⁷

Right at the beginning of the exercise, Okuk "offered" the Prime Ministership to the Pangu Deputy Prime Minister and fellow Highlander, Paras Wingti, but this curious offer was declined.⁸ Okuk seemed to lack the steadying and more constructively imaginative hand of his adviser in the Deputy Prime Ministership during 1980-82, the former Queensland Liberal Party organizer, Jeff Wall. The Opposition failed

2. "It's Okuk," *Post Courier*, July 11, 1983.

3. "Okuk Calls for New Government," *Post Courier*, July 25, 1983; "Chan Backs Okuk Call," *Post Courier*, July 26, 1983.

4. *Niugini Nius*, August 2, 1983.

5. "Blessing for Okuk Lead," *Post Courier*, August 11, 1983.

6. "Government MP Joins Okuk," *Post Courier*, August 3, 1983.

7. "Papuan Unite for 'New Era' in Parliament," *Niugini Nius*, August 22, 1983; *Niugini Nius*, September 23, 1983.

8. "Okuk Wants Wingti," *Post Courier*, August 12, 1983.

utterly to present a serious policy alternative to Pangu. The Pangu rank and file appeared a little panicky and uncertain in face of the Okuk onslaught, but when a vote of no confidence naming Okuk as alternative Prime Minister was finally tabled in Parliament by Rarua in November, the influential print media were very hostile. All newspapers deplored the prospect of instability being brought on by a rather mindless numbers game. In the event, Okuk's Highland partisans were badly let down. The no-confidence move failed to woo the United Party, it split the new Papuan bloc wide open, and Pangu remained overwhelmingly steady behind Somare. Rarua saw the writing on the wall and withdrew his motion, but Pangu seized a golden opportunity by moving a vote of confidence in itself, which was carried 70-0 since most of the Opposition walked out of the 109-person chamber. It was an extraordinary result, improving by four on the August 1982 vote that had installed Somare as Prime Minister.⁹

Diro had crossed the floor, and the minority party leader and former Prime Minister, Sir Julius Chan, was not in Parliament on the day of reckoning. Two prospects thus presented themselves: that Diro might end up in the Pangu camp with a ministry—something he could probably have had for the asking in 1982 if he had not made a false step into the leadership of the National Party; and Sir Julius might once again be able to exploit Okuk's talent as a stalking horse to make another bid for the prime ministership himself, as he had done so successfully between 1978 and 1980. But for the moment Okuk's spectacular setback was seen as a vindication of Pangu's right to a longer mandate for its 1982 victory and a triumph for political predictability.

West Papua

Meanwhile, the issue that Okuk had vainly tried to exploit for electoral leverage in 1982, and which Pangu had successfully played down for six months—relations with Indonesia over the joint border with the neighboring province of Irian Jaya—had returned with a vengeance in April. The government announced that a new Indonesian border road had crossed into Papua New Guinea at three places in the Western Province, and an anxious, sometimes angry debate on Indonesian intentions followed, despite a fairly prompt, placatory response from Jakarta.¹⁰ The offending road sections in difficult, swampy terrain were eventually closed, but the PNG debate raged on all year. Was the road—a section of

9. "Big Vote is Aborted," *Post Courier*, November 16, 1983; *The Times*, November 18, 1983.

10. *The Times*, April 15, May 2, June 3 and 10, 1983.

the Trans Irian highway being built from Merauke to Jayapura—intended to provide new military options against the West Papuan guerrillas in the border area and also against PNG's Western Province, or was it merely part of the economic infrastructure for the spreading transmigration settlements in the Merauke area around the Gulf of Papua? The government's own intelligence analysts were deeply and bitterly divided between those in the National Intelligence Organization (Prime Minister's Department) who thought the road, and Jakarta's policy generally, inoffensive, and a group in the Foreign Affairs and Trade Department who thought the road had a purely military rationale and who in any case were alarmed at the long-run implications for PNG of Javanese transmigration to Irian Jaya. In the latter view, massive transmigration such as Jakarta seemed to be planning would both boost Melanesian resistance to heavy-handed Indonesian military rule through the West Papuan resistance (Operasi Papua Merdeka, or OPM) and put enormous pressure on PNG's own border administration and, indeed, sovereignty. An increased OPM presence in its PNG sanctuary areas would bring pressure on PNG from Jakarta to undertake active operations against the OPM in PNG territory, and would also bring a flood of displaced or otherwise dislocated Melanesian refugees across the border seeking land, peace, and government services on the PNG side.

The great debate was summarized in a series of feature articles run by *The Times of Papua New Guinea* in November, which included the first publication of the so-called transmigration map—*Proyek Transmigrasi Propinsi Irian Jaya*.¹¹ Dated April 10, 1982, but containing no official stamp or other indication of origin, the map had been removed from an office wall in Irian Jaya and passed to PNG Department of Foreign Affairs officials by OPM supporters in the northern border area—along with hundreds of other documents in recent years. Publication of this map, which had been well-known in government circles for months, served to crystallize Papua New Guinean fears about Indonesia's approach to the land and customs of the West Papuan people. It shows most of the arable land outside the Highlands of Irian Jaya as earmarked for transmigration—30,000 square kilometers of it in the Merauke area alone (about a third of the total for the whole Irian Jaya province). Foreign Affairs officials, working on a figure of two hectares per transmigrant family of five, estimate that the map, if authoritative, foreshadows a non-Melanesian transmigrant population of ten million in the future, three times PNG's population and ten times Irian Jaya's present population, which is still roughly 80% Melanesian. Of course

11. Rowan Callick, "The Tale of the Transmigrasi," *The Times*, November 19, 1983.

Irian Jaya is a vast space by the overcrowded standards of Java—22% of Indonesia's land area—and, in the words of Foreign Minister Mochtar Kusumaatmadja on the eve of his visit to Port Moresby in August, "Keeping it [Irian Jaya] closed to other parts of the [Indonesian] population is like creating a reservation or zoo, and this is not right."¹² The cultural implications of the unfortunate reference to a zoo was not lost on Professor Mochtar's PNG audience.

Indonesia in 1983 continued to interest itself closely in PNG's internal affairs as these affected the border problem. An Indonesian embassy official, widely believed to be an intelligence operative, had been murdered in Port Moresby in December 1982. The convicted murderer, a West Papuan exile, received a 15-year jail sentence in August 1983, despite the argument of his defense lawyer, a West Papuan supporter and former Supreme Court Justice, Bernard Narokobi, that his client was both a former victim of Indonesian oppression in Irian Jaya and a recruit of Indonesian intelligence under orders to spy on Port Moresby's West Papuan exile community—a claim that was not seriously challenged in court. Indonesia also watched closely over efforts to find a place of asylum for Seth Rumkorem, leader of one of the two major OPM factions, who had been apprehended and charged with illegal entry into Rabaul late in 1982 while trying to make his way by boat to political asylum in Vanatu. The illegal entry charge did not stick, and Port Moresby was embarrassed, while Jakarta was disturbed, at the public support for Rumkorem as he walked the streets of Rabaul a free man for over a year. Eventually in November the local Liaison Officer of the U.N. High Commission for Refugees found "General" Rumkorem and two lieutenants temporary asylum in Greece. His departure from Port Moresby in November saw a display of unprecedented unity among the OPM's exile factions, and Rumkorem himself swore to return and resume the struggle.¹³

The developments sketched above created some strains within the Pangu government over the bland, cooperative course of official policy towards Jakarta, and in September Pangu's Defence Minister, Epel Tito, who had been campaigning openly for a boost in defense spending, finally broke ranks with Somare and his Foreign Affairs Minister, Rabbie Namaliu. In a radio broadcast in Australia he declared that Indonesia could invade PNG within the next 10 to 20 years, spoke of Indonesia's "historical designs" on PNG, expressed concern about transmigration, and called for Australian military posts to be set up along the border with

12. *Niugini Nius*, August 3, 1983.

13. Interview, November 25, 1983; *Weekend Nius*, November 26, 1983.

Indonesia. Tito was reprimanded and underwent a portfolio transfer (to the Media Ministry!) for his pains, but he was not sacked.¹⁴

Defense Review

Just before this episode, the Defence Department had presented to the Cabinet the results of a long-drawn-out defense policy review conducted by an interdepartmental committee. Its findings were not released. Instead the Cabinet set up its own ministerial review committee under Deputy Prime Minister Wingti and adopted its recommendations for a defense force ceiling of 3,050 uniformed personnel (a reduction of 500); a defense budget allocation for 1984 of K 24 million; a boost to border patrolling, including a new company-size post at Kiungoc in the Western Province; and relocation of the patrol boat base from Lombrum in the Manus Province to Port Moresby as an economy measure. In rejecting the interdepartmental committee's recommendation for much deeper personnel cuts, and at the same time committing itself to the reequipment recommended by this committee, the government in effect showed its concern about PNG's defense vulnerability, despite its optimistic and cooperative approach to relations with its huge Asian neighbor.¹⁵

The Public Service

In 1983 the government was under strong pressure from the public service itself to spend more money. On the one hand Papua New Guinean public servants were increasingly discontented with the so-called dual salary structure, which effectively rewarded over 2,000 expatriate contract officers at two or three times the rates paid to PNG nationals. On the other hand, the government was alarmed about the inflated size of the public service (50,000 including teachers) in a period of recession, which meant that public service salaries absorbed a lion's share of the budget—K 260 million out of K 788 million in 1983. The government was also unhappy about the lack of responsiveness in a public service dominated by an independent and—in the government's view—willful and amateurish Public Services Commission.

The government fought a rather lackluster battle around these issues in 1983 and, overall, lost ground. The "retrenchment exercise" announced in the November 1982 budget proved to be a fiasco when a

14. "Indonesian Attack Warning," *Niugini Nius*, September 9, 1983; "Invasion Not On," *Post Courier*, September 14, 1983; "Tito Stands Firm," *Post Courier*, September 15, 1983; "Australia Wouldn't Defend Us," *Post Courier*, September 23, 1983.

15. "Huge Army Gear Plan," *Niugini Nius*, August 26, 1983; *Post Courier*, September 9, 1983; "NEC Approves Defence Plan," *Niugini Nius*, September 20, 1983.

comparative handful of senior public servants resigned, took their over-generous "golden handshakes" (severance payments of up to K 40,000) and, in many cases, reappeared promptly in new public service jobs. The K 12.5 million retrenchment allocation for 1983 was gone by August, with the budget target of 3,000 retrenchments far from being met.¹⁶ On the dual vs. single salary front, the citizen lawyers working for the government won large increases in September,¹⁷ confirming the effectiveness of tactics used earlier in the year by doctors and academics. In fact the government had already conceded the single salary demand in principle, and at a National Executive Council meeting in July it announced a K 14.8 million increase in the 1984 budget for national salaries—most of it intended for technical and professional officers whose job classifications would be upgraded, and a new system of remunerating expatriates based on adding allowances to a single base line salary scale. The allowances would reflect job market factors in the country of recruitment.¹⁸ In abolishing dual salaries, Public Services Minister Tony Siaguru claimed with fanfare that he was abolishing a "colonial relic." Although the immediate change was largely symbolic, the militancy of professionals in government service was bound to be stimulated. The political reality was that the Pangu government—itsself composed to a significant degree of former public servants—could not contain the debilitating trade union strength of its own comparatively privileged bureaucracy, and rural development programs seemed bound to suffer.

In August the government announced plans to abolish the Public Services Commission by changing the Constitution in line with the 1979 recommendations of an enquiry headed by the Governor of the Bank of Papua New Guinea, Sir Henry To Robert. The government wants to replace the PSC with a board of management composed of senior public servants, hoping to make the public service leadership at once more pliant, more professional, and more understanding of the government's acute problems in the area of policy implementation.¹⁹ Such was the hope, but the government failed to introduce supplementary legislation in the two remaining parliamentary sittings of 1983.

16. *Niugini Nius*, August 17, 1983.

17. *Niugini Nius*, September 14, 1983.

18. *The Times*, July 15, 1983.

19. "Government Starts Demolishing PSC," *Post Courier*, July 11, 1983; *Budget Speech 1984*, p. 39.

Provincial Government

Meanwhile, the government did have one striking success with constitutional change in the final parliamentary sitting of 1983. Increasingly irritated by corruption, malpractice, and financial incompetence among the 19 provincial governments set up by the constitutional changes made soon after independence, the government persuaded Parliament to give it an easier procedure for suspending provincial governments. The previous procedure, never invoked, depended on a parliamentary vote; as amended, the National Executive Council (Cabinet) has a right of provisional suspension.²⁰ Overwhelming support for the change in the National Parliament, despite unanimous opposition by provincial governments themselves, indicated continuing animosity towards provincial politicians, who have acquired extensive power if not much authority in recent years. Provincial Affairs Minister John Nilkare served notice that at least five (unnamed) provincial governments already "qualified" for suspension; and it remained to be seen whether 1984 would be the year when the Pangu Party, which had introduced decentralization reluctantly under pressure from the advanced, copper-rich but secession-minded province of North Solomons (Bougainville) in 1974-75, would finally move to reverse the process.

20. Neville Togarewa, "Suspension Powers Give Full Control," *The Times*, November 11, 1983.

MALAYSIA IN 1983

A Time of Troubles

_____ Jerry Bass

Several unusual occurrences, important policy initiatives, and a major constitutional crisis characterized Malaysia in 1983. In the first category were three legal proceedings involving government ministers. Culture, Youth and Sports Minister Datuk Mokhtar Hashim was sentenced to death for the murder of a local UMNO (United Malays National Organization) rival. The appeals court upheld the sentence and Mokhtar will be hanged unless the king grants him clemency.

The second incident concerned Foreign Minister Tan Sri Ghazali Shafie. On January 10, 1982, Ghazali, his aide-de-camp, and copilot Vergis Chacko (the Royal Selangor Flying Club's chief instructor) crashed in a light plane on a short domestic flight. Ghazali's companions were killed, but the Foreign Minister miraculously survived virtually unscratched. A four-month investigation by the coroner's court held that the accident resulted from pilot negligence and that Ghazali, a licensed pilot, had been at the controls, although he maintained he had handed them to Chacko before the crash.

It seemed for a time that the verdict might force Ghazali's resignation, especially since he owed his position more to long and effective service than to the support of either the UMNO rank-and-file or Prime Minister Datuk Seri Dr. Mahathir Mohamad. However, Ghazali gave no indication that he contemplated such a step, and his colleagues made no overt move against him. At year's end the incident seemed forgotten.

The third court case stemmed from a dispute between two leaders of the MIC (Malaysian Indian Congress), the ruling coalition's Indian party. Party president Datuk Samy Vellu, who is also Minister of Works, spearheaded a move to suspend for one year his former protégé, V. Govindaraj, who is head of the MIC's Selangor branch and one of three MIC vice-presidents. The MIC's General Assembly agreed to the

_____ Jerry Bass is Assistant Director of the Center for South and Southeast Asia Studies, University of California, Berkeley, California.

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suspension amidst threats of public demonstrations by Govindaraj's supporters. The confrontation did not materialize, however, because Govindaraj brought a court suit asking that his suspension be declared null and void.

The year also saw a major financial scandal involving Bumiputera Malaysia Finance (BMF) Ltd, a Hong Kong subsidiary of Malaysia's Bank Bumiputera (BB). The crisis arose when it became evident that BMF loans to several Hong Kong land development companies would have to be written off because of the collapse of the island's real estate market as discussions on its post-1997 status made little progress. BMF could certainly be faulted for poor judgment and lack of prudence. Questions were also raised about the propriety of BB, established to capitalize Malay enterprises, bankrolling speculative ventures by overseas Chinese. Such objections could at least be addressed on economic grounds, but a series of developments suggested that corrupt practices may have underlain the financial transactions.

None of the officials responsible for the loans seemed to know the exact amount involved. As larger and larger sums came to light, it became difficult to avoid the conclusion that BB attempted to cover up the extent of the loans. Another discomfiting revelation was a report that bank officials received more than one million Malaysian dollars in consultancy fees for negotiating the loans. While Malaysian banking laws did not prohibit such practices, they were certainly "morally wrong" (as the Prime Minister commented) and a breach of faith by those involved.¹

At the height of the affair, the former head of BB's internal audit department, who had been posted to BMF, was murdered in Hong Kong. Investigations by the Hong Kong police led to the murderer's capture and determined that the motive was robbery. Although no connection was found between the murder and the loan scandal, the timing of the two events engendered suspicion that they were linked.

BMF's losses did not threaten BB's solvency or viability. Its profits for the year showed a healthy increase, and its assets stood at an all-time high. Nonetheless, the episode could not but be viewed in the context of the ongoing, often sub-rosa dialogue on the relationships between the values of equity and efficiency implicit in the government's New Economic Policy (NEP) objective to provide Malays with 30% of the country's wealth by 1990. It could possibly be taken as indicating the ineffectiveness of the attempt to foster a Malay commercial class imbued with modern economic values.² In the event, the BB affair was one of several

1. *New Straits Times*, October 12, 1983.

2. The nature of BB's involvement in Hong Kong and the perquisites of senior staff

developments in 1983 that tarnished the pristine image of the Mahathir administration.

It was believed that the political fallout from the BB affair would mostly damage the standing of Finance Minister Tunku Razaleigh Hamzah. An opponent of Datuk Musa Hitam (the Deputy Prime Minister) for UMNO's deputy presidency at the party's 1981 General Assembly and expected to mount a similar challenge at next year's conclave, Razaleigh was identified closely with BB. However, Mahathir's outspoken style tended to draw the criticism as he castigated those involved and suggested the government's own responsibility for inadequately monitoring BB's activities. The reasonable assumption that Mahathir was unaware of BMF's operations flew in the face of the expectations engendered by his administration through such slogans as a "clean, efficient and trustworthy" government.

The activist hallmark of the first 18 months of the Mahathir-Musa administration—a style in dramatic contrast to the gradualist pace of earlier prime ministers—continued unabated through 1983. A year ago I concluded that the 2-M administration, bolstered by the impressive mandate in the April 1982 elections, appeared to have the political acuity to master the challenges confronting Malaysia.³ Developments in 1983 make one rather less sanguine. The government produced policy pronouncements at a pace that seemed too rapid for the country to assimilate. The flavor is captured in a *New Straits Times* item concerning a requirement for all governmental departments to hold biweekly meetings with copies of the minutes submitted to the Prime Minister's Department. "Under this management by meetings concept the departments will have to fill out a uniform computerized administrative reform form which contains an attendance checklist and indicators of how well the departments have implemented . . . the clock-in system, the name tag [sic], the leading by example campaign, the work procedure manual, the work file, quality control circle, the excellence service campaign, the open space concept, and suggestion box."⁴ Two policy innovations in particular, the Malaysia Incorporated and Privatization concepts, demonstrate the scope of the envisioned changes.

The Malaysia Inc. policy is a further attempt by Mahathir to conceptualize the relevancy to Malaysia of Japan's economic success. The con-

suggested that the institution was geared more to the interests of the management than the needs of the Malay community.

3. "Malaysia in 1982: A New Frontier?," *Asian Survey*, 23:2 (February 1983), pp. 191–200.

4. *New Straits Times*, May 13, 1983.

cept analogizes the country to one great company, all of whose components have a shared interest in its success. It would replace the Western-derived model based on the adversary principle with a system based on a harmony of interests.⁵ A less explicit aspect of the concept—one running through the government's rhetoric and policy in 1983—is that the public sector had become bloated, counterproductive, and a drag on development rather than its facilitator. This view is evident in the Privatization concept, a term also found in discussions of the Japanese economy. Privatization expresses the government's intention to sell selected public utilities and other state-run enterprises to the private sector. A transfer of ownership, it is held, would assure more efficient management, while saving public funds at a time of austerity.

If on paper the government's policy initiatives seemed sensible responses to the economic and other challenges facing the country, they elicited confusion as much as hope, uncertainty as much as confidence. Because their import could only be determined in time and by practice, the Prime Minister was constantly pressed to define more clearly what he intended. A major element of uncertainty was the effect the new policy directions would have on the NEP, which had formed the centerpiece of domestic policy since 1970 and had a minimum of seven years to run. Mahathir explained that shifting the economic center of gravity toward the private sector could only be contemplated because the NEP had made it possible for Malays to compete economically. Be that as it may, the ethos of the NEP is difficult to reconcile with the evolving antistatist ideology.

The administration's credibility was also threatened by the absence of concrete successes that could be tied to the new policies. The Malaysian Inc. concept had a seductive ring, but it was not evident how it could be implemented. Under the Privatization concept, bids were invited for a number of public enterprises, but no offers had been made by year's end. The trading companies (*sogo shosha*) formed at government prompting showed no prospect of realizing the hopes invested in them; indeed, four of the five were virtually moribund.⁶

Determination of the success of the government's policy initiatives, hinging as they do on changing deeply rooted attitudes and structures,

5. In fact, the Japanese economy institutionalizes "an extremely healthy dose of competitiveness." Akira Kubota, "Japan Social Structure and Work Ethic," *Asia Pacific Community*, Spring 1983, p. 62. This fascinating article authoritatively describes the constraints on transferability of the Japanese model.

6. See "Unsuccessful Emulation of Japan," *Asian Business*, 19:9 (September 1983), pp. 46ff.

requires a perspective of decades. But the political game, particularly as played by Mahathir, does not afford such a vantage point. Neither the government's opponents, a perhaps bemused public, nor a system geared to annual budgets, party assemblies, and a maximum of five years between elections are disposed to the long view. While Mahathir has displayed sensitivity to UMNO traditions and skill in using them, in 1983 his activism tended to overflow the channels cut by party history and precedence. This was most manifest at UMNO's annual general assembly and in two proposed constitutional amendments that led to a four-month struggle between the government and monarchy.

UMNO had spearheaded Malaysia's independence movement and has enjoyed unchallenged political dominance since then. Election to the party presidency has guaranteed the prime ministership. The party claims almost one million members (out of a total population of about 14 million) and is the only West Malaysia party with a nationwide organization. The General Assembly is the single most important opportunity to ascertain grass-roots sentiment since each of the party's 114 divisions sends delegates. The several-day meeting is divided into three sessions: the presidential address on the state of the party and country, the debate on the address, and a response by the president.

In his speech Mahathir went beyond reiteration of government policies and the situation in the country to castigate elements in the party for spreading rumors and engaging in divisive tactics. Toward the end of his remarks, he addressed the speculation about strained relations between himself and Musa, expressing confidence in his deputy. This public endorsement was resented by many delegates. "Being the captain of the ship, he should not have involved himself in the problems of his crew," one delegate was reported as saying. Another likened the UMNO president to a father of two children (Musa and Razaleigh?) who should not have taken sides. It was further maintained that the focus on Musa's contribution slighted the rest of the cabinet and the UMNO Supreme Council, and that by drawing attention to the factionalism in UMNO he exacerbated the problem. Mahathir's response, clarifying the intent of his remarks, helped diffuse the strong emotions, but probably did little to win over delegates opposed to his leadership. There is speculation that an effort may be made to unseat him at the 1984 assembly.

On July 25 the government tabled in parliament a number of constitutional amendments, two of which curtailed the authority of Malaysia's king and the nine state sultans. One amendment stripped the king of the power to approve legislation, and the other transferred his right to declare a state of emergency to the prime minister. Malaysia's king is elected for a five-year term from among the Council of Rulers consisting

of the nine hereditary sultans. The government's motive in proposing the two amendments was concern that both of the possible successors to the present king, whose term ends next April, the Sultans of Perak and Johore, had strong independent views and might "deny royal assent on parliamentary bills."⁷ The amendments passed virtually without discussion or public awareness. However, when the king refused consent, the matter became a cause celebre.

Meetings between UMNO and the sultans failed to break the deadlock for five months. Finally, under pressure to pass a redistricting amendment in time for the next general elections, a compromise was reached that allowed the king to delay but not veto legislation, kept the sultans' powers intact, and maintained the king's prerogative to declare a state of emergency⁸—but not before differences among the UMNO leadership again came to the fore, with some cabinet ministers supporting Mahathir unequivocally, some obviously sympathetic to the sultans, and still others seeking to reach a compromise.⁹ Another noteworthy aspect of the crisis was Mahathir's willingness to take his case directly to the people through mass rallies.

Although the conflict was resolved on terms generally considered favorable to the Prime Minister, it may prove a Pyrrhic victory. It was evident that Mahathir had sought to alter the fundamental constitutional rules of the game without adequate consultation or public discussion. The political probity or even constitutionality of the amendments was open to question. One consequence of the May 1969 communal violence was to make it seditious and unconstitutional to discuss the rulers' powers without their consent.¹⁰ In sum, the crisis lent further credence to perceptions of Mahathir as a leader with insufficient regard for established practice. But if the Prime Minister's style was a double-edged sword domestically, in the foreign policy arena it won him kudos and an enhanced stature for Malaysia.

In a well-received address to the Non-Aligned Summit in New Delhi in February, Mahathir enumerated the foreign policy issues he emphasized throughout the year. These included the condemnation of external interference in the affairs of any nation, with particular attention

7. *Asiaweek*, November 25, 1983; see also *Far Eastern Economic Review*, August 25, 1983.

8. *The Asian Wall Street Journal*, December 19, 1983.

9. For a detailed discussion of the divisions, see K. Das, "A Gathering Storm: Mahathir Marshalls his Forces . . .," *Far Eastern Economic Review*, December 8, 1983.

10. On this point see the discussion by M. G. C. Pillai in the *Times* (London), who maintains that the king and sultans enjoyed much more support than the government on the issue. See also *The Economist*, October 22–28, 1983.

to the Soviet occupation of Afghanistan and the Vietnamese invasion of Kampuchea, the importance of an expanded South-South dialogue since the developed North could not be counted on to act altruistically, the use of commodity producer organizations to enhance the bargaining power of Third World countries, settlements of the Palestine issue through the United Nations, and acceptance of Antarctica as the common heritage of mankind. Mahathir's appearance at New Delhi in itself indicated the Third World's primacy in his strategic thinking, for he continued to eschew attendance at most unilateral forums, maintaining that they were merely rhetorical sounding boards at which little of substance could be achieved.

During the year the Prime Minister made a series of bilateral visits to countries with which Malaysia had little or no previous contacts: Turkey, Yugoslavia, Rumania, Bangladesh, Sri Lanka, and the Maldives.¹¹ To encourage new trade links, the Prime Minister's delegations included businessmen. Counter or barter trade was encouraged in light of the unfavorable balance of trade and foreign exchange shortages faced by many of the countries visited. Another refrain was the offer of aid and technical assistance under the Malaysia Technical Cooperation Program that began in 1980.

Mahathir visited Japan and South Korea in furtherance of the Look East policy. Prime Minister Nakasone also visited Malaysia as part of his ASEAN round of talks prior to the Williamsburg Summit. Appointment of the Director-General of the Japanese Foreign Ministry's Asian Affairs Bureau, described as the top Asian expert among Japanese diplomats, as Tokyo's new ambassador to Malaysia indicated the importance Japan placed on ties with Malaysia.¹²

Encouraged by British goodwill gestures, particularly an increased number of scholarships to overseas students,¹³ Mahathir mended his fences with Britain.¹³ He met with Prime Minister Thatcher in London and rescinded the "Buy British Last" policy inaugurated in 1982. Obvi-

11. For the texts of the speeches made by the Prime Minister during these visits, see *Foreign Affairs Malaysia* (Ministry of Foreign Affairs, Malaysia), 16:2 (June 1983).

12. *New Straits Times*, February 9, 1983. In 1981 Japan overtook Singapore as the largest single foreign investor in Malaysia. Its cumulative investment in manufacturing is put at \$345 million or 15% of total foreign equity, placing Japan in third place behind Britain and Singapore. *New Straits Times*, May 31, 1983.

13. For a comprehensive survey of Britain's policies toward overseas students, including Malaysians, see Peter Williams, "Look West? Asian Attitudes to Study Abroad and Britain's Response," *Asian Affairs*, 14, New Series (February 1983). Professor Williams is Head of the Department of Education in Developing Countries, University of London Institute of Education.

ously Mahathir believed he had made his point that Malaysia was not to be taken for granted or patronized. Mahathir is scheduled to visit the United States in January 1984. In October Musa paved the way for the Prime Minister's meeting with President Reagan by holding talks with senior American officials, including Vice President Bush. Musa expressed satisfaction that the Reagan administration seemed well-briefed about the situation in Malaysia. The appointment of Thomas Shoemsmith, a senior foreign service officer with considerable experience in Asia, as Ambassador to Malaysia was taken as a gratifying signal that the United States now attached greater importance to relations with Malaysia.¹⁴

In contrast to cordial relations with the West, relations with the Soviet Union were strained. Revelations of Soviet espionage activities received wide publicity. A warning by the Soviet Deputy Foreign Minister while in Singapore concerning ASEAN's policies toward Vietnam and Kampuchea was hotly resented and interpreted as a Soviet threat to support insurgent movements in the ASEAN countries. A series of government-backed anti-Soviet rallies were held throughout Malaysia.

Malaysia's identification with the Islamic world found expression in its hosting on May 3-7 of the U.N.-sponsored International Conference on Palestine for Asia and the Pacific Region. About 300 delegates and observers from 43 countries, including the foreign ministers of the PLO and 13 Asian countries, attended the conference. A national Palestine week featuring talks, public exhibitions, and the like was held concurrently with the conference. Another symbol of Islamic rectitude was the establishment of the International Islamic University, based in Malaysia but intended to serve the entire Muslim world. Thus far Bangladesh, the Maldives, Turkey, and Pakistan have formally agreed to cosponsorship and various forms of assistance. Such actions enabled the government to demonstrate its commitment to Islam without directly threatening the country's delicate communal balance. However, pressure from a resurgent Islam continued to be a potent social force.

The impact of Islam in Malaysia appears to illustrate a familiar proposition about minor political parties in the United States—i.e., that programs showing potential for popular support tend to be adopted or co-opted by the major parties. Thus, while rejecting the Malaysia Islamic Party's (Parti Islam Sa-Malaysia, or PAS) call for a state governed by Islamic law, the Mahathir administration has moved to accommodate

14. Shoemsmith has spent most of his diplomatic career in Asia and was Deputy Assistant Secretary of State for East Asia and the Pacific at the time of the appointment. *New Straits Times*, October 14, 1983.

Islamic sentiment.¹⁵ Its major effort to steal PAS' thunder was a call for the absorption of Islamic values—these are held to be universal and to include tolerance of non-Muslims—into the country's life and institutions.¹⁶ A concrete instance was the opening of a bank to be run on Islamic principles (for example, a profit-sharing scheme for depositors in lieu of interest payments) as an alternative to rather than a replacement of the existing Western or traditional banking system.

Within PAS, party stalwart Datuk Asri and other "old guard" Kelantan leaders were purged by a younger, religious-educated group that both the ousted members and the government characterized as extremists under Iranian influence. Asri and his colleagues formed a new Islamic party that—based on the results of two Kelantan by-elections—has little prospect of viability. Once a decent interval has passed, it will probably follow in the footsteps of an earlier PAS offshoot, Berjasa, and join the governing coalition as a minor partner. A particularly interesting situation is developing in the east coast state of Trengganu, the center for PAS' most influential new leaders, which is experiencing boom-town conditions with the opening of large oil and natural gas fields.¹⁷ The new wealth cannot be readily absorbed by a population of farmers and fishermen, and resentment is growing toward outsiders coming into the state in connection with the new industries. Trengganu is thus apt to become a major arena in the clash between the government's development orientation and the PAS attempt to provide an alternative vision.

On the non-Malay side of the spectrum, a significant development was the unexpected resignation of Datuk Lee San Choon as Malaysian Chinese Association (MCA) president, as well as from his cabinet post and Seremban parliamentary seat.¹⁸ Lee stated that he wished to make way for new blood. It is likely, however, that he also recognized that the

15. In an interview with Diane K. Mauzy, "[t]he Prime Minister talked about the possibility of Islamic law and an 'Islamic state,' while protecting the rights of non-Muslims." "The 1982 General Elections in Malaysia: A Mandate for Change?" *Asian Survey*, 23:4 (April 1983), p. 511–513.

16. One commentator maintains that "many elements of an Islamic state are taking shape" in Malaysia. David Watts, "On the Growing Influence of Islamic Fundamentalism in Southeast Asia," *The Times* (London), March 23, 1983. This strikes me as an extreme interpretation. For a balanced treatment of government reactions to Islamicization pressures, see Simon Barraclough, "Managing the Challenges of Islamic Revival in Malaysia: A Regime Perspective," *Asian Survey*, 23:8 (August 1983), pp. 958–975.

17. See "Growth Based on Oil and Gas for the East Coast," *Asian Business*, 19:9 (September 1983), pp. 56ff.

18. For an informed discussion of the changes in the MCA leadership and government representation following Lee's resignation, see the analysis by Yee Mee Fah in the *New Straits Times*, June 4, 1983.

MCA had probably reached another high point in its checkered history. As Diane K. Mauzy writes, "[U]nless the Front non-Malay Parties [among which the MCA is most significant] now gain some tangible concessions . . . there could be a substantial non-Malay voter backlash. . . ." ¹⁹ In the Seremban by-election, the seat won so triumphantly by Lee in the 1982 election was regained by the former DAP incumbent, Chen Man Hin.

On the economic front, Malaysia's growth rate was 4.5%, about the same as the year before. A respectable rate by world standards, it remained significantly less than those experienced before the recent world recession decreased the demand and prices for Malaysia's exports. The government continued various belt-tightening measures, including informing about 20,000 college graduates who had been on government scholarships that they were free to find employment in the private sector. The decrease in foreign exchange earnings also resulted in an unaccustomed concern about the debt-service ratio. Moreover, the government finally allowed that the economic downturn would require an extension of the NEP beyond the 1990 target date. There was mounting evidence that while absolute poverty had been lessened in most sectors the economy—though scandalous reports came to light of virtual slave labor conditions faced by some estate workers—income distribution had become less equitable. "It is not a case of the 'rich getting richer and the poor poorer,' but rather one of the 'poor getting less poor, and the rich much richer.'" ²⁰

Finally, in 1983 the accumulating side effects of rapid modernization were increasingly evident. Traffic jams became commonplace, particularly on the causeway connecting Singapore to Johore. The number of registered vehicles increased 11% from 1981 to 1982 to almost 3 million; the number of road accidents in the same period increased 16%.

19. Mauzy, "The 1982 General Elections," p. 511. A similar argument is made by Chew Huat Hock, "Malaysian Politics and the 1982 General Elections: Some Emerging Trends," *Asia Pacific Community*, Fall 1982.

20. David Lim, "Malaysian Development Planning," *Pacific Affairs*, 55:4 (Winter 1982-83), p. 631. A New Zealand scholar goes so far as to claim that "Malaysia today suffers worse inequalities . . . than does any other country in Southeast Asia." W. E. Willmot, "Inequality in Malaysia," *Pacific Viewpoint*, 23:1 (May 1982), p. 66. See also Jomo Kwame Sundaram and Ishak Shari, "Income Inequalities in Post-Colonial Peninsular Malaysia," *ibid.*; Yue-man Yeung, "Economic Inequality and Social Injustice: Development Issues in Malaysia Review Article," *Pacific Affairs*, 55:1 (Spring 1982); and Shamsul A. B., "The Politics of Poverty Eradication: The Implementation of Development Projects in a Malaysian District," *Pacific Affairs*, 56:3 (Fall 1983), pp. 456-457 and sources cited therein.

Drug abuse reached grave proportions and became the object of a concerted government campaign.²¹ Armed robberies fed public anxiety. Video centers were shut down for dealing in uncensored and pornographic tapes. Nature itself seemed to be conspiring against Malaysia. A severe drought required water rationing in several states, a pest adapted to the high-yield strains of padi threatened the Kedah rice harvest, a bank of pollution-induced haze covered much of the country for part of the year, and public health officials expressed concern at the rapid increase in venereal diseases.

In conclusion, it should be noted that the sense of disquiet engendered by Malaysian developments in 1983 may have been, to some extent, the artifact of a freer press. Though the government closed one antiestablishment newspaper and successfully managed the press during the constitutional crisis, overall an unusual degree of openness obtained. Mahathir's liberalness and intellectual confidence set the tone; certainly, it militated against suppression. Yet such a style and value system may portend problems in a society experiencing the multifaceted strains in the transition from an agricultural to an industrial base. In any event, as 1983 drew to a close, Malaysia's future appeared rather more clouded than it had a year before.

21. There were 74,000 known addicts in the country, with the actual number estimated at least four times that many. *Sunday Times*, February 6, 1983.

SINGAPORE IN 1983

The Continuing Search for Talent

Jon S. T. Quah

If we continue to reproduce ourselves in this lop-sided way, we will be unable to maintain our present standards. . . . Our most valuable asset is in the ability of our people. Yet we are frittering away this asset through the unintended consequences of changes in our education policy and career opportunities for women. . . . In some way or other, we must ensure that the next generation will not be too depleted of the talented—Lee Kuan Yew, National Day Rally Speech, August 14, 1983.

In November 1979 Prime Minister Lee Kuan Yew contended that Singapore's continued success depended on its ability to convert the natural talent pyramid of its population into the expertise pyramid.¹ In August 1982 he argued that the combination of Singapore-born and non-Singapore-born talent in the population was responsible for Singapore's success story. In recent years, however, the proportion of non-Singapore-born in the population had declined. To meet this problem and to ensure that "the standards of leadership in the Cabinet and efficiency in the public service" would be maintained in the future, Lee recommended the recruitment of talented persons from other countries to supplement Singapore-born talent.²

The "search for talent" policy actually began in October 1980 when the Professionals Information and Placement Service (PIPS) and the Committee for Attracting Talent to Singapore (CATS) were formed to help in the recruitment of foreign talent to Singapore.³ However, this

Jon S. T. Quah is Senior Lecturer, Department of Political Science, National University of Singapore, Singapore.

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1. Lee Kuan Yew, "What of the Past is Relevant to the Future?" in *People's Action Party, 1954-1979, Petir 25th Anniversary Issue* (Singapore: Central Executive Committee, PAP, 1979), p. 40.

2. Lee Kuan Yew, "The Search for Talent," in S. Jayakumar (ed.), *Our Heritage and Beyond* (Singapore: National Trades Union Congress, 1982), p. 18.

3. *Ibid.*, p. 22.

policy was only publicly announced by Lee in August 1982. Because of the modest success in recruiting talented foreigners to work in Singapore during 1980–82, Lee suggested in 1983 another approach for increasing the limited pool of local talent: he exhorted single female graduates to get married and married female graduates to have more children. In short, in 1983 the search for talent was not restricted to the recruitment of foreign talent, but was extended to include also the encouragement of educated Singaporeans to increase the size of the local talent pool.

Political Developments

The search for talent through the production of more local talent dominated political discussions in Singapore in 1983. In his National Day Rally Speech, the Prime Minister first outlined Singapore's progress during the past 24 years and attributed its progress to the quality of its people. However, the 1980 census pointed out the inverse relationship between the educational level of married women and the number of children they had. It was found that the higher the educational level of married females, the lower the number of their children. According to Lee, if this lop-sided pattern of procreation continued, Singapore would not be able to maintain its present standards. Moreover, since the Singaporean male marries his educational equal or inferior, there is quite a large proportion of educated women who are not married and not contributing to the enlargement of the local talent pool. These single women should get married so that they can increase the proportion of Singapore-born talent in the population. To compensate for the loss of replacement at the top of the educational pyramid, recruitment of top talent from abroad must be accelerated. Lee concluded his speech by acknowledging that the government could only improve nurture's contribution to performance, not nature's. What the government could do, however, was to encourage young Singaporeans, especially the educated ones, to contribute to the expansion of the local talent pool.⁴

Lee's speech opened, so to speak, Pandora's box, and gave rise to what the *Straits Times* described as the "Great Marriage Debate." The two local English newspapers invited their readers to respond to the Prime Minister's speech and received many letters expressing a variety of views. On the one hand, two women's organizations immediately endorsed Lee's ideas and went to the extreme of suggesting that graduate women in Singapore should consider childbirth as national service.⁵ At the other

4. The full text of the Prime Minister's speech can be found in "Talent for the Future," *Straits Times*, August 15, 1983, pp. 10–11.

5. *Straits Times*, August 17, 1983, p. 9.

extreme, a successful professional single woman felt "deeply insulted by the suggestion that some miserable financial incentives will make me jump into bed with the first attractive man I meet and proceed to produce a highly talented child for the sake of Singapore's future."⁶ Several readers also questioned Lee's 80% nature and 20% nurture ratio and argued that there was insufficient evidence for positing such a ratio. Others, especially female readers, claimed that female graduates remained unmarried because the Singaporean male was too chauvinistic and did not share in the tasks of housekeeping and child-rearing. The solution was thus to educate Singaporean males so that they would treat their wives as their equals. A few readers warned of the consequences of a genetic approach to talent breeding and recommended that "altering the way which people should or should not reproduce" should be left to Nature's way.⁷ Perhaps the most serious criticism was that, in stressing the need for well-educated parents to produce more children, Lee was implying that well-educated parents would produce intelligent children and that, conversely, uneducated parents would have unintelligent children. Since the educational level was lower among those parents in the lower income group, it was further implied that such parents should not have too many children while the educated should produce more children.

The outpouring of criticism of Lee's views was unprecedented and quite surprising by local standards, and perhaps even astounded the Prime Minister himself. The adverse public reaction can be attributed not only to the sensitive and controversial nature of the topic under discussion, but also to the fear among many Singaporeans that the government was going to intervene even further in their private lives by suggesting whom they should marry and how many children they should have. To counter the public criticism of Lee's speech, S. Rajaratnam, Second Deputy Prime Minister (Foreign Affairs), and Ong Teng Cheong, Minister without Portfolio, said that many people had misunderstood the Prime Minister and proceeded to clarify and elaborate on what was said in the National Day Rally Speech.⁸ Lee himself modified his views somewhat when he admitted, in his 60th birthday dinner speech, that "however capacious the hardware (nature) without the software (nurture), not much can be made of the hardware."⁹

Three weeks after Lee's speech, the Ministry of Education announced

6. Ibid., August 18, 1983, p. 15.

7. Ibid.

8. Ibid., p. 1, and *Straits Times*, August 22, 1983, p. 8.

9. *Straits Times*, September 17, 1983, p. 15.

that a pilot study on a program for intellectually gifted children would be carried out in 1984.¹⁰ On September 16, 1983, the Chairman of the Joint Organising Committee for the Prime Minister's 60th Birthday Dinner, Dr. Ee Peng Liang, announced the establishment of an endowment fund to finance the "Lee Kuan Yew Programme of Distinguished Visitors," which would bring to Singapore highly renowned men and women for attachment to the National University of Singapore (NUS) and the Nanyang Technological Institute.¹¹ In October the Singapore Broadcasting Corporation (SBC) sent one of its producers specially to London to interview Professor H. J. Eysenck for his views on the inheritance of intelligence. Professor Eysenck confirmed the Prime Minister's views when he said: "If the bright don't reproduce at the same ratio as the duller, then the gene pool will decline in quality."¹² During the same month, SBC began the telecast of a four-part series entitled "Genes and Your IQ" to provide basic information and to stimulate further interest among Singaporeans on the subject.

Several changes in the cabinet lineup were made in 1983. The first change in leadership was necessitated by the announcement of the removal of Lim Chee Onn as Secretary-General of the National Trades Union Congress (NTUC) on April 9, 1983, and his replacement by Ong Teng Cheong, who assumed the position one month later. Lim was removed from the NTUC because he had failed to establish rapport with rank-and-file labor leaders. The real reason for Lim's ouster will probably never be known. However, it is difficult to understand why Lim, who was a rising star among the second generation leaders, was punished so severely for his inability to work with his NTUC colleagues. After his removal from the NTUC, Lim was told that he would be reassigned to another ministry. On July 22, 1983, he wrote to the Prime Minister to decline the posting to a ministry and to step down as a cabinet minister from August 1, 1983. Lee accepted his resignation and said that Lim was wise not to accept posting to another ministry. Lim is now managing director in charge of shipping for the Keppel Group, a government-backed conglomerate, and member of parliament for Bukit Merah. Given the difficulty of recruiting top talent for the political arena, Lim's departure from the political scene is not only a waste but, more importantly, it may discourage other competent Singaporeans from entering politics through cooptation into the ruling party because of the high degree of risk involved. Lim had been recruited into the government by

10. *Sunday Times*, September 4, 1983, p. 1.

11. *Straits Times*, September 17, 1983, p. 14.

12. *Ibid.*, October 12, 1983, p. 1.

the Prime Minister himself; he became a member of parliament in July 1977 after winning the Bukit Mera by-election; he was elected Secretary-General of NTUC in May 1979; and in September 1980 he joined the cabinet as Minister without Portfolio. His meteoric rise and his ability made him one of the most likely candidates among the second generation leaders to succeed Lee.¹³ Yet, in spite of all this, he fell from grace after devoting six years of his life to politics. It is likely that he will not be a candidate in the next general elections, which will probably be held in 1984.

The second leadership change occurred in September when two junior ministers and a political secretary were promoted and given wider responsibilities. Dr. Yeo Ning Hong, Minister of State (Defence), was made acting Minister for Communications. Professor S. Jayakumar, Minister of State (Law and Home Affairs), was promoted to acting Minister for Labour. These changes were necessary because Ong Teng Cheong had to give up the Labour and Communications portfolios when he replaced Lim Chee Onn as NTUC Secretary-General and Minister without Portfolio in May. Dr. Wan Soon Bee, Political Secretary to the Prime Minister, became a Minister of State without any portfolio. Dr. Wong Kwei Cheong, Minister of State (Labour), was transferred to the Ministry of Trade and Industry.

The third set of changes in the cabinet lineup followed the death of Hon Sui Sen, Minister for Finance, on October 14, 1983. Hon had devoted 44 years of his life to public service—31 years in the civil service and 13 years as Finance Minister. Dr. Tony Tan, Minister for Trade and Industry, was appointed Minister for Finance on October 24, 1983, to succeed Hon. Lee Yock San, Minister of State (National Development), was accordingly transferred to the Ministry of Finance to help Dr. Tan.

The aging of the old guard has underscored the need for self-renewal. At the May Day Rally, the Prime Minister said that the old guard (including himself) should not squander their remaining years in frustrating a successful transition to a younger generation. In terms of age, S. Rajaratnam is the oldest (68 years), followed by Dr. Goh Keng Swee (65 years), Dr. Toh Chin Chye (62 years), Lee Kuan Yew (60 years), and Ong Pang Boon (54 years). Rajaratnam suffered a mild heart attack in New York in October and later underwent triple bypass heart surgery in London. It is quite likely that he will retire from politics soon and will not participate in the next general elections. Dr. Goh, the First Deputy

13. Shee Poon Kim, "Political Leadership and Succession in Singapore," in Peter S. J. Chen (ed.), *Singapore: Development Policies and Trends* (Singapore: Oxford University Press, 1983), p. 193.

Prime Minister and Minister of Education, is likely to serve for another term if his health permits. Dr. Toh, former Chairman of the PAP, is now only a member of parliament and no longer part of the cabinet. In recent years he has become disaffected with the PAP and has publicly criticized government policies. He will most probably not take part in the next general elections. Thus, barring unforeseen circumstances and ill health, only Lee, Ong, and perhaps Goh from the old guard will be seeking reelection during the next general elections.

The Economy

In his message given on the eve of National Day, the Prime Minister began by noting that the Singapore economy grew by 5.6% for the first half of 1983 even though he had expected about 4% growth. However, this figure was lower than the 6.9% achieved for the first half of 1982. The major growth sectors were the financial and business services (which contributed 48% to the total GDP increase), construction (26%), transport and communications (19%), and trade (12%). Lee attributed the better-than-expected economic performance of Singapore to several factors: "prudent budgets for many years with no deficits for current expenditure"; a surplus balance of payments; good worker-management relations; and investors' confidence in Singapore and Singaporeans.¹⁴

Three months later, the Ministry of Trade and Industry reported that Singapore was likely to end the year with an economic growth of 7.9%, slightly higher than the official forecast of 6–7%. The star performer in the third quarter was the manufacturing sector, which had bounced back with an annual gain of 4% after 15 months of declining output. The recovery in the manufacturing sector came mainly from the electrical and electronics, petroleum, and construction-related industries. Financial and business services were the major contributor to the expansion of the economy as they accounted for one-third of the increase in GDP. Exports rose while imports remained constant, thus reducing the trade deficit from S\$4 billion in 1982 to S\$3.1 billion. Wholesale and retail trade, and the restaurant business remained brisk, but this was mainly generated by Singaporeans since tourist arrivals fell by 6%. Indeed, only 21,201 Indonesian residents visited Singapore in April, representing a 28.2% drop in arrivals from that country compared to the same month in 1982. The transport and communications sector grew by 8%, and the construction sector increased by 25%. Inflation remained low, and consumer prices rose by 1% since January because of slightly higher food prices.¹⁵

14. *Straits Times*, August 9, 1983, p. 16.

15. *Ibid.*, November 19, 1983, p. 1.

In sum, the Singapore economy performed quite well in 1983 in spite of the worldwide recession. A survey conducted by the New York-based Association of Political Risk Analysts placed Singapore among the top five countries as a safe haven for investment because of its political stability. Furthermore, a World Bank study indicated that countries with low taxes such as Singapore, Japan, Spain, and Brazil have higher growth rates in employment, food production, and life expectancy. Finally, the magazine *Modern Asia* predicted that Singapore would have the highest growth rate during the next five years among the eight developing economies of East and Southeast Asia.¹⁶

Foreign Policy

Singapore's foreign policy during 1983 did not deviate from the four main precepts laid down by S. Dhanabalan, Minister for Foreign Affairs, in 1981, namely: Be friendly with "all who wish to be friends"; "trade with any state for mutual benefit, regardless of ideology or system of government"; be "non-aligned with regard to the rivalries of great-power blocs"; and "cooperate closely with ASEAN members to achieve regional cohesion, stability and progress."¹⁷

In an interview with the *Straits Times* on the eve of the 16th ASEAN Ministerial Meeting in Bangkok, Dhanabalan said that Singapore's main foreign policy achievement during the past 15 years was "to overcome the kind of mutual misunderstanding, mistrust, suspicion that existed" with its immediate neighbors, Malaysia and Indonesia.¹⁸ Relations between Singapore and Malaysia were further strengthened in 1983 with the three-day official visit to Singapore of Malaysian Deputy Prime Minister Datuk Musa Hitam from February 9-11, 1983. Datuk Musa said that his visit "demonstrates Malaysia's desire that relations between Malaysia and Singapore will continue to prosper for the mutual benefits of the people of both countries." He further emphasized that the mutual-ity of interests between the two countries should be for all seasons and that both countries were interdependent.¹⁹ One immediate result of his visit was the creation of the Inter-Governmental Committee (IGC), a bilateral committee reporting directly to the Prime Ministers' Offices in Singapore and Malaysia. The purpose of the IGC was to monitor and

16. See *ibid.*, April 9, 1983, p. 1; *Singapore Monitor*, August 18, 1983, p. 8, and September 19, 1983, p. 10.

17. Quoted in Lee Boon Hiok, "Constraints on Singapore's Foreign Policy," *Asian Survey*, 22:6 (June 1982), p. 527.

18. *Straits Times*, June 23, 1983, p. 16.

19. *Ibid.*, February 11, 1983, p. 1.

improve the coordination of joint Singapore-Malaysia cooperation projects. Datuk Musa also reassured Singaporeans that Malaysia would honor the existing agreement to supply some 250 million gallons of water needed daily by Singapore. On March 18, 1983, the National Institute of Public Administration (INTAN) of Malaysia and the Civil Service Institute (CSI) of Singapore signed a five-year agreement to cooperate with each other in the training of civil servants. During the rest of the year there were further exchange visits between Singaporean and Malaysian political leaders and government officials in various fields to further consolidate the strong ties of friendship between the two countries and to learn from each other's experiences.

Relations between Singapore and its other immediate neighbor, Indonesia, remained warm and cordial during 1983. The Prime Minister had last visited Indonesia officially in September 1982. On December 27, 1983, President Suharto made a one-day official visit to Singapore to discuss ongoing bilateral matters (such as current trade relations between the two countries and Singapore's investments in Indonesia) as well as regional and international issues, including the Cambodian question and the current economic recession and its effects on the Third World.

Prime Minister Lee met Japanese Prime Minister Yasuhiro Nakasone for the first time in March 1983. In recent years Singapore has been looking towards Japan for inspiration in its efforts to increase productivity and improve economic growth. For example, the Neighbourhood Police Post system, which is a modified version of the Japanese *koban* system, was introduced in eight electoral constituencies in June 1983. During Prime Minister Nakasone's three-day official visit to Singapore in early May 1983, Lee told him that the most valuable contribution Japan could make to Singapore's development was in human resource development by sharing its know-how on how to spread productivity-consciousness and inculcate productivity among workers. Nakasone's visit was successful as both leaders expressed agreement over a broad spectrum of issues. Furthermore, on May 24, Singapore and Japan signed a five-year agreement to exchange 30 scientists a year between the National University of Singapore and Tokyo University.

In early April Singapore strongly condemned the Vietnamese offensive against Cambodian civilians along the Thai-Cambodian border and accused Vietnam of bullying the ASEAN countries into accepting negotiated talks under its terms. At the same time, the five ASEAN countries began a diplomatic drive to stop Vietnamese attacks on the Thai-Cambodian border by persuading more friendly countries to condemn the Vietnamese offensive and to support Thailand. On the question of Kampuchea, the ASEAN countries continued their policy of

applying international pressure on Vietnam in the United Nations. As in previous years, many countries had supported the ASEAN resolution on Kampuchea in the United Nations. However, this year Australia, under the new Labour government of Robert Hawke, refused to cosponsor the ASEAN resolution condemning Vietnam and demanding the withdrawal of Vietnamese troops from Cambodia. As a protest against Australia's decision, the ASEAN countries postponed indefinitely the ASEAN-Australia dialogue scheduled for October. During the ASEAN foreign ministers meeting in Jakarta, Dhanabalan accused Australia of "bending over backwards to please Vietnam." The Australian government retorted that Singapore was exerting "bludgeoning pressure" on Canberra. Fortunately, this ASEAN-Australian tiff did not develop further since the misunderstanding between Singapore and Australia was resolved by the prime ministers of the two countries at a special luncheon meeting in New Delhi on November 24, during the Commonwealth Heads of Government Meeting.

Conclusion

In 1983 two events occurred that highlighted the twin constraints encountered in implementing the "search for talent" policy: the decline of Lim Chee Onn, demonstrating the extremely high standards the Prime Minister expects from the second generation leaders; and the death of Hon Sui Sen, indicating the inevitable aging of the PAP old guard. Needless to say, these constraints will remain until the second generation leaders are able to successfully replace the PAP old guard. Indeed, the search for talent in Singapore will continue so long as its leaders and people insist on high standards of leadership so that only the "best and brightest" Singaporeans will be selected to govern the country.

THAILAND IN 1983

Democracy, Thai Style

Suchitra Punyaratabandhu-Bhakdi

The April 1983 general election was widely heralded as symbolizing a "return to full democracy" for Thailand, which had not had an elected prime minister since 1976. Yet the events of 1983 constitute not so much a triumph for a democratic process as they do a demonstration of the continuity of military involvement, so traditional in Thai politics. The economy grew at a healthy rate of 5.5%, even though the year was marred toward the end by the collapse of several finance companies in October, one of the more sensational crises the Thai financial system has experienced in recent years. Finally, 1983 will long be remembered as the year of catastrophic floods throughout most of the country, with Bangkok in particular suffering the worst flooding in 40 years. All told, damages have been estimated conservatively in the region of \$1 billion.

Thai Politics

Controversy over the transitory clauses of the Constitution continued unabated as 1982 ended and 1983 began, crystallizing into a movement to amend the Constitution. Barring an amendment, the clauses were due to expire on April 21, 1983, with the following results: (1) the military-dominated, 225-person appointed senate would no longer be permitted to sit in joint session with the lower house to deliberate on legislation or to vote on no-confidence motions; (2) government officials, both in the military and the civil service, would no longer be eligible to hold political office; and (3) provinces would be transformed from multiple constituencies into single constituencies. The expiration of the first two transitory clauses were unacceptable to more conservative elements in the Thai bureaucracy, including powerful military interests, who perceived the

Suchitra Punyaratabandhu-Bhakdi is Assistant Professor in the Graduate School of Public Administration, National Institute of Development Administration, Bangkok, Thailand.

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ability of the government to control parliament by controlling the senate, together with the appointment of civil and military officials to cabinet posts, as essential for ensuring a stable and effective government. The strongest opposition to the expiration of the third clause came from the political parties themselves. Transformation of provinces into single constituencies would have favored larger and more established parties over smaller ones, but the larger parties themselves were not sanguine about the prospect, for it would have meant taking larger risks in terms of greater campaign expenditures in a winner-take-all situation.

By late January a movement spearheaded by high-ranking military generals and their political allies was afoot to amend the constitution, which would in effect have resulted in making the transitory clauses permanent. The military generals consisted of the powerful General Arthit Kamlang-Ek, Commander-in-Chief of the Army, and a group known as the Democrat Soldiers, whose members included Lt.-General Chaovalit Yongchaiyut, and Maj.-General Pichit Kullavanich.¹ Their allies were the industrialist-based Chart Thai party, the ultra-right-wing Prachakorn Thai party, and the Siam Democracy party. The opposing line-up consisted of the Democrat and Social Action parties, who based their stand on the strictly ideological grounds that the move to amend the Constitution was undemocratic. Perhaps a little surprisingly, they had the support of several prominent military figures, including General Saiyud Kerdphol, then the Supreme Commander, and General Harn Leenanond, then the commander of the 4th Regional Army in the South.²

Proponents of the amendments mustered enough votes for them to sail through the first two readings in Parliament, with Senate and House sitting in joint session. Prior to this, in a dramatic gesture to emphasize his good faith, General Arthit had resigned from the Senate. He was followed by twelve other senators, all military officers. The third and final reading took place on March 16, 1983. In a surprise move, the Chart Thai party, apparently yielding to massive public pressure, reversed its position and voted against the amendments, thus defeating them by a bare margin. Ironically, had General Arthit and the twelve other senators not resigned, their votes would have been sufficient to reverse the outcome.

1. Although not officially a member of the Democrat Soldiers, General Arthit has close ties to this group, which number among his strongest supporters in the military.

2. For a lively account and interesting analysis of events surrounding the April election, see Paisal Suriyamongkol, "The Politics of the Prem IV Government," *Thai Journal of Development Administration*, 23:3 (July 1983). See also the March and April 1983 issues of the *Far Eastern Economic Review* (FEER).

Historically, the military's response to political setbacks has been the coup d'état. In this case, however, a coup seemed out of the question. So sure had the Democrat Soldiers been of victory in Parliament that they had pledged themselves in advance to honoring the outcome. Another important factor was the split over the amendments within the military itself. What occurred instead was the decision by Prime Minister General Prem Tinsulanond to hold a snap election on April 18, *before* the transitory clauses expired.

In spite of the retention of the multiconstituency system because of the election date, election returns resulted in gains for all the major parties and losses for smaller parties. The Chart Thai party showed the largest percentage increase, and in fact, after it opportunistically merged with the smaller Siam Democratic party and persuaded several independent MPs to join its ranks, Chart Thai commanded the largest number of seats in the House, though still short of a majority. A lesson in the complexities of Thai politics can be taken by examining the maneuvering that followed in the attempt to form a new government. No single party commanded a majority, so a coalition government was a foregone conclusion. Chart Thai fully expected to head the government, but its premature announcements antagonized all parties. The critical factor was the support of the military, but when the military denied its support, with the consequence that the Prachakorn Thai party did an about-face and withdrew from its alliance with Chart Thai, the party stood no chance of inclusion in, let alone heading, the new government. This occurred because Chart Thai had alienated the Social Action Party, its closest rival in terms of numbers, by pushing through its own candidate as Speaker of the House, despite the Social Action Party's strongest objections. As for the Democrats, the third largest party, any partnership with Chart Thai was unthinkable, purely as a matter of principle.

With Chart Thai out of the picture, the most likely combination for the new coalition government appeared to be Social Action in coalition with the Democrats and the National Democratic Party, which would have commanded a slim majority in the House. Interestingly, M. R. Kukrit Pramoj, leader of the Social Action Party, had not only announced he would on no account head the government, but had also declared that the most suitable person for this post was none other than General Prem Tinsulanond, the former Prime Minister who had neither stood for election nor belonged to any political party. Whatever the reasons behind this move, it was undeniable that General Prem was most acceptable to the military. In a rather astute political move, General Prem strengthened his hand by expressing his reluctance to form a government. Prem was, of course, eventually persuaded to change his mind, but



not before being given the option of naming his own appointees to one-quarter of all cabinet posts, including the powerful ministries of Defense, Interior, and Finance, plus the Office of the Prime Minister.

The role of the military in the formation of the coalition government was not limited to barring Chart Thai from holding office and conferring approval on General Prem. At the insistence of military leaders, including General Arthit, the Prachakorn Thai Party was also included in the coalition, in spite of initial objections by the Democrats. In the final outcome, Prachakorn Thai was awarded the Ministry of Communications, and the National Democrats the Ministry of Industry, with Social Action and the Democrats controlling the remainder, except those reserved as the prerogative of General Prem.

One noteworthy feature of the coalition government is the apportionment of ministries among political parties, instead of appointing the Minister and Deputy Minister(s) within each ministry from different parties as was customary in the past. Designed to lessen interparty friction, one unintended consequence is that this has made it easier to evaluate each party's performance. After eight months in office, it is fair to say that the two major coalition members, Social Action and Democrats, have proved a disappointment by their lack of initiative and innovation. The Social Action Party in particular has been beset by intraparty squabbles. Rather surprisingly, the two minor partners in the coalition have displayed remarkable energy and statesmanship in tackling formidable problems in their respective ministries.

The present government appears stable and may even last out its four-year term. At the same time, the military's influence—indeed dominance—in the political arena cannot be denied. The events leading up to the April election and its aftermath underscored the highly political role of the military. The form of military involvement in politics may have changed somewhat, but not its substance. As the year drew to a close, there was open acknowledgment of General Arthit Kamlang-Ek as the probable successor to General Prem for the Premiership. General Arthit is not only Commander-in-Chief of the Army, but in September 1983 he was also appointed Supreme Commander of the Armed Forces. Barring the unexpected the general may assume political office when he reaches retirement age in two years' time, if not sooner. Already there are vague stirrings for an amendment to the Constitution that would allow civil servants and military officials to hold political appointments without having to resign their jobs.

COMMUNIST INSURGENCY

Following mass Communist Party of Thailand (CPT) defections in 1982 and 1983, communist insurgency in rural areas no longer poses a serious

threat. The rapid decline of CPT activity must be attributed in part to the government's policy of using political persuasion rather than military coercion. Initiated in 1980, the policy is stated in a government order known as "66/2523." Skeptics, however, have suggested that the government's preferential treatment of defectors may in fact turn out to be the unwitting instrument of the CPT in their move to infiltrate the cities.³

The Economy

Compared to the rest of the world economies, the Thai economy performed well in 1983. Real GNP growth was estimated at 5.5%, as compared to 4.2% for the preceding year, while inflation was held to under 4%.⁴ Agriculture and industry, the two largest sectors each contributing roughly a quarter of GDP, were expected to show growth rates of 2.4% and 7.0%, respectively.⁵

Yet the economy is confronted by a number of problems which, if not remedied, will have serious repercussions in the future. For the first time in four years, the balance of payments is expected to suffer a deficit, estimated at about \$739 million, or about three times what was originally forecast.⁶ A trade deficit is anticipated, and may reach \$3.48 billion. Imports in 1983 increased by 22%, while exports fell 16%. According to the governor of the Bank of Thailand (the central bank), the decline in exports is attributable less to an over-valued baht than to factors such as "poor prices, trade barriers and short supplies."⁷ In late December the Bank of Thailand announced three import-reduction measures, designed to offset the trade deficit, that included: a limit on commercial bank credits for all imports except petroleum and petroleum products; advance sale of foreign exchange to commercial banks by exporters with Bank of Thailand rediscount facilities; and a decrease in the quantity of government bonds being sold on the repurchase market.

The fiscal 1984 budget reflects the government's continued emphasis on austerity. Expenditures rose by only 8.5%, as compared to 9.9% in the preceding fiscal year.⁸ Although policy priorities as reflected in

3. Policy Document No. 66/2523 was proposed by the Democrat Soldiers and approved by the Prime Minister. The policy is regarded as having originated with Prasert Sapsunthorn, advisor to the Democrat Soldiers, who was once a high-ranking member of the CPT. For a penetrating analysis, see Chai-Anan Samudavanija, *The Military in Thai Politics: The Young Turks and the Democrat Soldiers* (Bangkok: Krungthep Bannakij, 1983).

4. Estimates obtained from the Research and Planning Division, Siam Commercial Bank, December 1983.

5. *FEER*, July 14, 1983, p. 67.

6. *Bangkok Post*, December 27, 1983, p. 19.

7. *Ibid.*, p. 22.

8. Paisal Sricharatchanya, "The Brakes Stay On," *FEER*, July 14, 1983, p. 48.

budgetary allocations remain the same as in previous years, with approximately one-fifth going to education, one-fifth to defense, and almost one-fifth to the economic sector, a noteworthy feature of the fiscal 1984 budget is the size of debt servicing. Compared to the previous year, this increased from \$1.2 billion to \$1.5 billion—i.e., from 15.2% to 17.4% of the budget—the single largest percentage increase.⁹ The widening budget deficit (13% of the total budget in fiscal 1982, 14.7% in fiscal 1983, and 16.7% in fiscal 1984) presents a problem. Given chronic shortfalls in revenue, it appears that some readjustment of the tax structure is necessary. The government is apparently giving the matter serious consideration, although the only measure taken so far has been the imposition of a travel tax on Thai nationals and residents leaving the country.

In October the financial system suffered a rude shock when the Equity Development Finance and Securities Company and two smaller firms were forced to cease operations because of liquidity problems. In the aftermath two more finance companies also had their licenses revoked by the Finance Ministry. With a combined debt of \$100 million outstanding in the region, damage to the financial system was hardly that severe. Nevertheless, the government moved quickly to bring the situation under control, in consequence of which amendments were made to the Finance, Securities and Credit Foncier Act, which imposed stringent requirements on finance companies.¹⁰

The 1983 Floods

Floods are hardly a new phenomenon to Thailand or to Bangkok. What was memorable about 1983 was the magnitude of flooding and the extensive damage inflicted in 59 of Thailand's 72 provinces between September and December. This time the death toll included both human lives and nearly 100,000 livestock. Hundreds of thousands of acres of farmland and orchards were devastated, as well as thousands of fish ponds and shrimp farms. The Bangkok metropolis suffered the worst flooding in 40 years, with many of its eastern suburbs and parts of Thonburi under water for as long as three months. Damages have yet to be fully assessed, but unofficial estimates place them in the region of at least \$1 billion.¹¹

9. Ibid., p. 48.

10. Paisal Sricharatchanya, "All Illiquid Sea of Trouble," *FEER*, November 3, 1983, pp. 88–90, and *Bangkok Post*, December 19, 1983, p. 21. My assessment of the situation differs from the view presented by Paisal, who regards the collapse of the firms as potentially quite threatening to the financial system.

11. *Bangkok Post*, *Siam Rath*, and other dailies, September–December 1983. For estimates of damages, see also the *Bangkok Post's* supplement, "Special Report on the Flood," December 14, 1983, p. 12.

The realization that flooding is likely to become a recurrent phenomenon in Bangkok if no serious preventive steps are taken has finally placed the issue squarely on the government's policy agenda. Since the 1970s flooding has been occurring with increasing regularity every two or three years in a city that is said to be sinking at a rate of ten centimeters annually—with many areas already below sea level. The problem has assumed national proportions, not only because of the central position the capital occupies in Thailand's economic, political, and social system, but also because of the magnitude of investment that would be required for flood prevention, investment that would rely heavily on external borrowing. In a sense the government faces a dilemma: To save Bangkok means increasing Thailand's already large external debt, besides raising the rather sensitive political issue of whether the inhabitants of the capital city should be subsidized by the nation's taxpayers; not to save Bangkok could, however, be equally costly, both economically and politically.

Foreign Relations

The focal point of Thai foreign policy since 1980 has been the Kampuchea-Vietnam question. Thailand's relations with other countries have accordingly been informed by its efforts to obtain a Vietnamese withdrawal from Kampuchea. Given the differences of opinion within ASEAN with respect to Vietnam, with Indonesia perceiving China as the greater threat and therefore favoring a more conciliatory attitude toward Vietnam, the united front that ASEAN has presented to the rest of the world is a convincing demonstration of the strength of its cohesion. Although ASEAN was originally set up in 1967 as an organization for economic, social, and cultural cooperation, with political activities specifically excluded, recent developments have been such that a task force has recommended that ASEAN be formally turned into a political organization.¹²

Relations with the U.S. have continued to be strengthened, especially on the military side, where the Reagan administration has shown its readiness to lend support against any incursions into Thailand from Kampuchea. Joint Thai-U.S. military exercises were held, as in the preceding year, and the amount of military assistance has been increased. Trade relations have not been as harmonious, however, with the U.S. refusing to grant any real trade concessions or to reach agreement on avoidance of double taxation.¹³ In consequence of the Soviet Union's

12. *FEER*, June 30, 1983, p. 10.

13. The account given in this entire section uses information from an interview con-

support of Vietnam, relations with the USSR remained cool, and reached a low point after the Soviets shot down a Korean Air Lines jet in September. Eight of the passengers on board were Thai.

ducted on December 23, 1983, with a senior official in the Ministry of Foreign Affairs, whose name is being withheld on request.

BURMA IN 1983

The Dilemmas of Neutralism and Succession

_____ David I. Steinberg

It is ironic that Burma and its government, both generally ignored in the world press, should only receive massive and unwelcome international publicity over an externally generated tragic event, the venue of which happened to be Rangoon. The October 9 bombing at the Aung San Martyrs' Mausoleum that resulted in the deaths of 21 South Korean and Burmese officials, including four members of the Korean cabinet and two key Korean presidential advisors together with reporters, directly linked issues related to Burmese neutralism and the efficacy of the Burmese intelligence community, while obliquely raising anew issues of political succession. The bombing caused speculation in the foreign press over the possibility that the earlier arrests and trials of General Tin Oo, Joint Secretary of the Burma Socialist Programme Party (BSPP), and former Minister of Home and Religious Affairs Bo Ni, might have directly affected the capacity of the Burmese government to protect foreign visitors against determined assassination attempts. Burmese affairs in 1983 were dominated by these events, tenuously but nevertheless plausibly linked, highlighting Burma's own conception of its international relations and the critical issue of political succession inside Burma.

Since the early years of the Republic, Burma has followed a policy of studied neutralism in its foreign relations. This evenhanded approach to international relations has not been without its understandable anomalies, for Burma has had to consider carefully the sensitivities of the Peoples' Republic of China (PRC) because of Burma's long indefensible

David I. Steinberg is with the Office of Evaluation, United States Agency for International Development, Washington, D.C. The views presented in this article are those of the author and do not necessarily represent those of the Agency for International Development or the United States government.

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border, China's support to the Burma Communist Party insurrection, and the economically significant Chinese minority in Burma. Burma resigned from the Non-Aligned Movement at its Havana meeting in 1979 when the meeting became a Soviet forum for attacks on the PRC.

Although both South and North Korea established embassies in Burma on May 16, 1975, the October 1983 visit by South Korea's President Chun Doo Whan was the first by its head of state. The trip was the inauguration of a swing through the region designed as much, or perhaps more, to improve Chun's legitimacy at home as it was to promote better foreign relations and trade. President Chun narrowly missed being killed, and was spared only because his arrival at the Aung San Mausoleum near the Royal Lake was delayed.

This secular shrine, which evokes almost an air of religiosity, is the normal point of pilgrimage on state visits. The detonation of a remote-controlled bomb concealed in the roof of the mausoleum devastated the extensive entourage of President Chun, who traveled with high-ranking members of most ministries. Generally, top-level Burmese do not attend this type of ceremony.

The shock of disbelief that greeted this event throughout Korea was equaled by a different sense of consternation in Rangoon. Burma had maintained scrupulously correct relations with both North and South Korea. North Korea had supplied foreign assistance to Burma through tin smelting and ceramic industry projects in the Tenasserim while a South Korean firm had the contract to construct the massive Nyaunggyat Dam in central Burma under a consortium led by the World Bank. The Burmese government, in spite of strong and consistent pressure from the South Korean authorities who had immediately assumed that North Korea instigated the deed, carefully conducted its own detailed and unprejudiced analysis of the tragedy.

Three Koreans were captured, one of whom was killed while being seized. There was some suspicion at first that they might have been South Korean dissidents. The investigation determined, however, that North Korean military staff had perpetrated the killings and had used the North Korean Embassy to plan the attack. Burma was faced with the dilemma of responding to world concern and retaining its credibility as a neutralist nation par excellence by publicizing its findings or suppressing the information. After all, U Thant had been chosen Secretary General of the United Nations about two decades earlier not because of any particular acumen he may have had, but rather because of the inviolable Burmese credentials for evenhandedness in foreign affairs.

Burma responded to this challenge, which struck at the heart of its

foreign policy, with an unequivocal statement on the conclusion of the study that North Korea had indeed been responsible for the event. On November 4 it announced that it was breaking off relations with North Korea and expelling the embassy staff. The *Washington Post*, in its lead editorial of November 8, favorably commented that Burma had stood up to be counted when the crisis of foreign policy occurred. Western newspaper accounts noted that Ne Win had been enraged by the incident. On December 9 the North Koreans who had been found guilty were sentenced to death.

If Burma emerged from its foreign policy crisis with even greater credibility as a neutralist nation, there were unanswered questions about how the crisis came about in the first place. This lapse in security, some argued, may have had its roots in the internal political scene that also had implications for the single foremost question facing Burma—that of political succession.

General Ne Win, who still retains the chairmanship of the BSPP, is very much in command of the Burmese decision-making process. Although he has retired from the presidency of the nation (defined as chairmanship of the Council of State of the *Pyithu Hluttaw*—People's Assembly, the font of sovereignty), as party chairman and because of his personal standing he in fact controls the executive, legislative, judicial, and foreign policy of the nation.

He had in August 1982 indicated his intention to retire from all positions both to ensure a peaceful succession and because of reasons of age and health. By retaining the chairmanship of the BSPP while relinquishing the presidency to San Yu, he has remained in the pivotal position he has occupied in one form or another since the caretaker government of 1958 and, it could be argued, since he became commander of the Burmese armed forces in 1949. There is no indication that he has changed his mind about retiring from the party leadership.

No successor to Ne Win has ever formally been announced, and although there is a constitutional means of choosing an heir to titular authority under the constitution of 1974, the more influential post is that of chairman of the BSPP, which Ne Win still holds. Since the coup of 1962, there have been many—all from the military—who have been rumored as his chosen successor. Included have been Brigadier Aung Gyi, Brigadier Tin Pe, General Than Daung, and General (now president) San Yu, but the latest in this array of important figures was General Tin Oo.

General Tin Oo came to a position of power from the intelligence services. As such, he is rumored to have access to materials that would

have given him a substantial advantage over others who might aspire to the top position, if not over the loyalty of the more junior officers or the rank and file of the military on whom he eventually might have to rely.

The post has been critical. As one authority wrote before General Tin Oo's ouster:

The role of the Military Intelligence Service [MIS] in keeping close check on all administrative personnel of the regime, both civilian and military, as well as on the party apparatus and personnel of several public institutions cannot be ignored in our assessment of Ne Win's overall search for power monopoly. Only a loyal and trusted military officer is allowed to head the MIS, who may in turn be cross checked by other informants to Ne Win.¹

On May 18 the officially controlled Rangoon press noted that General Tin Oo resigned from the *Pyithu Hluttaw* and the Council of State and that Colonel Bo Ni, the Minister of Home and Religious Affairs, also was allowed to resign from the government. Subsequently, Tin Oo resigned from his party position. These cryptic announcements were followed by charges that General Tin Oo and Bo Ni's wives had circumvented government foreign exchange regulations and had misused government funds. General Tin Oo was accused of building structures on his private property with public funds, and there was widespread talk that these events had been brought to Ne Win's attention through the lavish wedding of Tin Oo's son. Tin Oo and Bo Ni were arrested and placed on trial for corruption. The court cases were extensively carried in the Burmese press, and finally both were found guilty and sentenced to life imprisonment for misappropriating public funds.

To outside observers the punishment did not seem to fit the crime, even though it seems unlikely that either would serve out the term imposed. There was widespread speculation that although Ne Win is noted for his mercurial temper and his abhorrence of ostentation among his subordinates, who are officially poorly paid by international standards, there must have been other motivations behind both the trial and the publicity with which it was treated. It is possible that Tin Oo was purged because he moved to consolidate his power too quickly and that he had attempted to sidestep Kyaw Htin, the Deputy Prime Minister.

Widespread purges followed the dismissals of Tin Oo and Bo Ni. The crimes of which they were found guilty had no ostensible relationship to the dismissals and shifts of personnel that followed. The relatives of both men, who are themselves related, were fired or transferred, as were their colleagues who could be considered dependent on them for their official

1. Maung Maung Gyi, *Burmese Political Values. The Socio-Political Roots of Authoritarianism* (New York: Praeger, 1983, p. 203).

positions or in their debt, and numerous others who were associated with them. Although there is no official figure on the number who were affected by this event, there is speculation that as many as 1,500 individuals may in some manner have been involved in the purges.

The result of these shifts had a short-term—and is likely to have a long-term—impact on the government. The decimation of the intelligence services that Tin Oo commanded, and the apparent lapses of those in authority who succeeded him, may well have been one of the precipitating elements in the debacle at the Aung San Mausoleum. Burma's military intelligence system is likely to be less effective and pervasive than that of the South Koreans, but it clearly had previous extensive experience protecting foreign visitors, a duty that normally would have been high on their list of priorities. That they failed to inspect the roof of the mausoleum in which the bomb was placed is probably attributable to the disarray in the leadership.

It is significant that in November after the tragedy and the purges, a new national intelligence law was promulgated. It specifies that there will be no permanent head of the bureau, but that leadership will rotate among members of the oversight committee composed of the Prime Minister, and the ministers of Home and Religious Affairs, Defense, Foreign Affairs, and Planning and Finance.

The purges illustrate the extremes to which power is both personalized and perceived to be so. That Ne Win was able to eliminate effectively his unannounced heir is testament both to the continuity of Ne Win as arbiter of the nation's fate and to the power of the chairman of the BSPP. It also illustrates that the perception of power requires the neutralization of the personal entourages of colleagues, friends, and relations of anyone deemed to be out of favor or a threat to the leadership. Such actions, of course, are not unique to Burma and may be considered there more a matter of degree than singularity, but the pattern is one that is very Burmese, predating the colonial experience.

There are important implications of the purges for the problem of succession to BSPP leadership, and thus of national authority. The most obvious is that the immediate successor is no longer available, and that Ne Win can still determine who will succeed him. This may place President San Yu, who was once considered out of favor, back into the running. Another possibility is the present secretary general of the party, Aye Ko. Others include Kyaw Htin, Deputy Prime Minister, Defense Minister, and former Chief of Staff; Brigadier Sein Lwin (Ret.), previous Home Minister; Major General Min Gaung, previous head of the Central Institute for Political Science and Home Minister after Bo Ni; and Lay Maung, former Foreign Minister and National Intelligence Bureau Chief.

Ne Win, however, is said to have favored a Yugoslav model in the post-Tito period, with a type of committee leadership. The evidence from Burmese politics of the precolonial, colonial, and independence eras all seem to indicate that the sharing of the decision-making process is unlikely to have much continuity. The purges thus suggest that Burma in the years ahead, when it moves from the charismatic leadership of the Ne Win paramountcy and the generation of those who were involved in the pre-World War II independence struggle, to those who have risen to prominence on the basis of their postindependence work, is likely to face more, rather than less, difficulties. Ne Win is now 72, San Yu is 65, and all the other potential leaders are in their 50s.

If 1983 is any indication, this leadership will have to face a reversion to a period of slower economic growth that may influence the public's perception of the efficacy of both present and future rulers. Burma was stung by a severe foreign exchange shortage that prompted it to seek increased short-term assistance from the International Monetary Fund and from bilateral donors, especially from the Japanese. The continuing poor record in the production of oil and in the processing and manufacturing sector are causes of concern and could greatly reduce Burma's generally good overall performance over the past two four-year plans. Important as well is the growing realization that agriculture cannot continue to expand at its present rate, and that in spite of considerable efforts to lessen its dependence on rice and diversify agricultural production, this is likely to be a rather slow process given the complexity of governmental controls. There are continuing rumors that Burma has had some inflation of its rice production statistics, more perhaps from a desire on the part of local authorities to satisfy the leadership than from any overall plan to doctor statistics. Thus, the agricultural economy may be somewhat less buoyant than it would otherwise seem in spite of the fact that Burma achieved its export target of one million tons for rice, although at low prices. Someone may be forced to take responsibility for future failures in meeting the targets of the Twenty-Year Plan. These international and internal political problems may have effectively distracted attention from some of the longer-term economic problems.

Another problem the leadership will have to address is the heightened activity among the insurgents. The Burma Communist Party efforts to link up with elements of their allies on the Thai border and the government campaign against the Karen drove hundreds of refugees into Thailand. There were said to be heavy casualties on both sides. Political separatist movements continue undiminished.

Burma is entering 1984, then, with some disquieting signs internally, but with increased prestige internationally because it took its neutralist role seriously.

BRUNEI ON THE MORROW OF INDEPENDENCE

D. E. Brown

Brunei, a small, oil-rich state of 200,000 people in northwest Borneo, received independence from Britain on New Year's Day, 1984. The following is a brief sketch of Brunei's history, of current conditions, trends, and problems Brunei faces, as well as some predictions for its near future.¹

Background

In the 16th century, Brunei's hegemony extended from Manila on the north to some indeterminate area of south Borneo. Spain and a resurgent kingdom of Sulu reduced Brunei dominion in the north; unknown events limited Brunei control to the southern boundary of present-day Sarawak by the 19th century, when European and American adventurers carved Sarawak and Sabah, now parts of Malaysia, from Brunei's remainder. In 1888 Britain established a loose umbrella of protection and control over Brunei, Sarawak, and Sabah, but in 1890 Charles Brooke, Raja of Sarawak, seized the last remaining large district of Brunei, the Limbang. Britain ultimately approved the seizure—though it divided Brunei into two geographically separate parts. In 1906 a British Resident was established in Brunei. Britain hoped to reunite Brunei's former parts, but nothing came of those plans. In 1929 oil was discovered and the state became viable.

D. E. Brown is Professor of Anthropology, University of California, Santa Barbara, California.

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1. This article is based on the author's doctoral research (anthropology) in Brunei from 1966 to 1968 and on brief visits to Brunei in 1972, 1978, and 1983. It also relies on three recent and useful publications: A. J. Crosbie, "Brunei in Transition," *Southeast Asian Affairs* 1981 (Singapore: Institute of Southeast Asian Studies), pp. 75-99; Timothy Ong Teck Mong, "Modern Brunei: Some Important Issues," *Southeast Asian Affairs* 1983 (Singapore: Institute of Southeast Asian Studies), pp. 71-84; and Donald E. Weatherbee, "Brunei: The ASEAN Connection," *Asian Survey*, 23:6 (June 1983), pp. 723-735. Iqbal Singh assisted the author in understanding Brunei's military situation.

The Japanese briefly reunited Brunei, Sabah, and Sarawak during World War II, after which the states were separated again. In 1959 Brunei was granted internal independence, and democratic institutions were initiated. A People's Party won all seats in the first general election. Believing that its aims would nonetheless be thwarted, the Party rebelled in 1962 and was crushed by Britain. Brunei has been ruled under emergency laws ever since, democratic reforms have withered, and some rebels still languish in prison without trials.

However, Britain continued to plan independence for Brunei. The Sultan resisted, and at one point Brunei threatened to sue Britain in the U.N. if Britain thrust an unwanted independence upon a state it was treaty-bound to protect. What the Sultan feared was: (1) Indonesia, which had connections to the rebel People's Party; (2) Malaysia, which was rankled by Brunei's failure to join it in 1963; and (3) allegedly, his own people, whose preference for democratic reforms was strongly suggested by their support of the People's Party.

As it turned out, representatives of the outlawed People's Party—some of whom Malaysian agents broke out of prison in 1973—successfully took Brunei and Britain to task in the U.N. in the mid-1970s for maintaining a colonial relationship. In the late 1970s, Brunei and Britain decided on a transitional period leading to full independence for Brunei beginning in 1984.

Meanwhile, Indonesia and Malaysia in 1978 renounced any designs on Brunei. Ties between Brunei and Singapore quietly but steadily grew close (Singapore trains troops in Brunei and gets crude oil on favorable terms; Brunei invests heavily in Singapore). Brunei and Malaysia opened representative offices in each other's capitals in 1982. Brunei has been invited to join ASEAN, in which it presently has observer status. Except for Indonesia, all ASEAN states have consular offices in Brunei, as do Australia and Japan. The U.S. is expected soon to follow.

Current Conditions and Trends

Two topics are of overwhelming importance: (1) prosperity and (2) the form and stability of government. Brunei's revenues considerably outpace its ability to spend. Such large sums are invested that in 1979 10% of the state's income came from interest earned on investments. Construction expenditures are mind-boggling. Very substantial projects in or near the capital include a grandiose palace on 300 acres, a very large hospital, a multistoried arts and crafts center, and an office building for Brunei's new diplomatic corps. There are many large clearings in the jungle around the capital for other projects. New shopping centers seem to rival Singapore for the breadth of goods available. There is one car for

every four persons—by far the highest rate in Southeast Asia. There is no income tax. In Kampong Ayer—site of the ancient capital built over the Brunei River, but now a suburb of the new capital built on adjacent land—many deluxe two-story houses now rise on cement pilings. Ramshackle throughout most of this century, its inhabitants continuously targeted for resettlement ashore, Kampong Ayer now has a good source of water, electricity, good bridges, and even airconditioning in some homes.

Brunei possesses a relatively high number of trained or educated persons, perhaps more than in Sarawak and Sabah combined. Government educational provisions are liberal. Brunei-ization of technical positions moves apace in many fields. Higher education occurs in three modes: western, Malay, and Muslim (at Cairo's Al Azhar). Degrees in all three are accepted for high-level positions.

There seem to be many more Malays in business than in the 1960s. Although there is also more local enterprise in Brunei, its growth has at best only kept pace with the growth of petroleum income, still the overwhelming element in the economy.

Substantial recent infrastructural developments also mark prosperity: a deep water port (1973), an international airport (1974), a 30% increase in paved roads (1973-79), an earth satellite providing links to Hong Kong, Singapore, and Britain (1979—with links to be added to Japan, Australia, and the U.S.), and 18,000 telephones (by 1979). A national airlines was established and color television introduced (both in 1975).

In the capital there are numerous signs of general prosperity. Color television sets are widely owned, hobbies are pursued, and travel abroad is common. The proportion of hajis and hajjahs in the population has soared. House servants from abroad are surprisingly common. Large numbers of laborers also come from abroad as construction workers.

Brunei has both a traditional and a modern government. Important in the former is a hereditary nobility (*pengiran* or *raja*), which in the capital approaches 10% of the population. Nobles are alone entitled to become two kinds of traditional high officials: the *wazirs* (four in number until a fifth was recently added), and the *cheteria* (in pyramidal ranks of 4, 8, 16, and 32 members per rank).

Non-nobles received traditional office too, of which the higher are called *pehin*. "*Pengiran* and *pehin*" is a phrase sometimes seen to describe, often pejoratively, influential persons close to the Sultan. But the phrase is imprecise, because many *pengiran* have little influence, and many *pehin* receive their titles on modern, meritocratic bases.

Although the traditional offices are now supposedly maintained for ceremonial reasons, at least three of their features are important in a

more-than-ceremonial way: (1) holders of higher offices are quite powerful and/or close to the Sultan, and have a good likelihood of holding high modern-government office; (2) receipt of traditional office creates a personal bond of loyalty to the Sultan that makes disloyalty particularly heinous; and (3) a stipend goes with the office.

The modern government grows out of the colonial period and consists of the Sultan (who of course also heads the traditional), four state councils, and the various bureaucratic or technical departments. The state councils are the (1) Privy Council (traditional in membership); (2) Council of Ministers—in charge of day-to-day executive affairs (now largely technocratic); (3) Legislative Council—all members are appointed, and it is largely a rubber-stamp council, since opposition to government desires could be thwarted by dismissal; and (4) Religious Council (Brunei is the only Islamic state in Southeast Asia). *All* offices are appointive and, hence, dependent on the center. There is no organized opposition in the State. Security consciousness is great. The press, radio, television, and religious propaganda are still all tightly controlled. The new palace is said to have escape tunnels.

One of the most noticeable trends in present-day Brunei is westernization. There are more and more nuclear family residences, a freer mingling of the sexes, ever more western clothes and material goods, and considerable familiarity with English. Some ancient things are disappearing. To give a minor example, the *padian* (salesladies), who wore a distinctive hat and paddled dugout canoes between houses in Kampong Ayer in a manner described for Brunei in 1521 by Magellan's chronicler, have disappeared just in the past decade. Their canoes, the normal mode of local transport for almost all Kampong Ayer residents until the 1960s, are swamped by the waves of ever-larger power boats. In spite of westernization, there is an increasing Islamization too: Arab garb, more hajis, and recent enforcement of a ban on Muslims eating in restaurants where food and cooks are not Muslim.

Some Problems

Most major problems are related to the form of government, but some to the economy. A major economic problem is how to continue providing employment for qualified Bruneis. Over half the work force is already employed by government. Qualified Chinese have a tendency to migrate, especially to Canada. But few Malays take this option (terms of employment in the Brunei government are excellent). Another, and obvious, problem is the overwhelming dependence on petroleum sales. In 20 years or so, alternative sources of income may be mandatory.

The nature of postindependence government is the big political prob-

lem. Clearly the Sultan resists democratic reforms. Outsiders see the key element in this problem as the disposition of the Gurkhas (Nepalese recruited by the British) who were brought in to quell the rebellion and have been stationed near the oilfields ever since. When the 1973 break-out of political prisoners proved Malaysian guards unreliable, the Sultan began to hire retired Gurkhas to serve him as prison and palace guards.

The Sultan bears the cost not only of the privateers but also of the regular Gurkhas, though the latter are commanded by British. The Sultan wanted the regulars to stay after independence, under his command. Britain long resisted, presumably in part because such a force would be seen as "protection" of the Sultan from his own people. The disposition of the Gurkhas was said to have been a serious stumbling block in final preindependence negotiations. (In the course of the negotiations, Brunei transferred U.S. \$4.1 billion of its overseas investment moneys from the Crown Agent in London to two U.S. banks.)

There are two regiments of Brunei troops—and some difficulty in trying to build up strength for a third. The Brunei troops are considered loyal to the Sultan, and certainly to the State. Under what conditions they could be involved in political machinations has yet to be seen.

Great sums are spent on Brunei's high-profile military and police—estimates vary between 25% and 50% of a very substantial national budget. But since the finest force would be no match for Brunei's much larger neighbors, the real purpose(s) of the force must be limited. Generally the regular Gurkhas are seen as a "trip-wire" protecting the oilfields, the retired Gurkhas as protectors of the Sultan, and the Brunei Regiments as anti-insurgency forces.

Another problem is the perception of the character of the royal family, which holds the principal positions in the ministerial system created on New Year's Day. The old Sultan, called the Seri Begawan since his abdication in 1967, and long thereafter seen as the real power in the state, is growing old. Nonetheless, he is the new Minister of Defense. The present Sultan—now the Prime Minister and the Minister of Finance and of Home Affairs—is seen as a playboy, as is one of his brothers. Fortunately, the Sultan's next younger brother, the fifth, or "Head" Wazir, seems inclined to take on governmental tasks, and has become the new Foreign Minister.

The royal family as a whole has become heavily involved in business and other kinds of investments. They have close links with major financial interests in Singapore, the Philippines, and possibly Indonesia. They own considerable property in Brunei and elsewhere. Members of the royal family allegedly have made huge sums on some construction projects. The similarity of all this to Iran under the Shah worries some responsible Bruneis. As one of them put it, "someone should tell the

Sultan [what people think], but who is going to do it?" There is, presumably, nothing illegal in all this. But is the royal family making itself unduly vulnerable by such activities? There are Bruneis who consider such activities inappropriate for rulers, and some who even see them as anti-Islamic—leading to a lifestyle maintained by hypocrisy.

Islamization is itself a problem. Many Muslims believe that hereditary kingship is anti-Islamic. The rulers of Brunei seem to have their eyes on the Saudi model of Islam, but if there were a free expression of Muslim thought in Brunei, alternative models would find their adherents. As a Muslim state, Brunei strives in various ways for ever-greater Islamization. Non-Muslims in Brunei show varying degrees of apprehension about this. Muslim issues could be as divisive in Brunei as elsewhere.

Politicization of Brunei's administration is a problem of unknown dimensions. In Brunei terms there is no politics in Brunei—i.e., no party politics. But the bureaucracies and the Councils are all linked in patron-client relationships with the ruler, so that no bureaucrat is really insulated from palace politics. Dismissals from bureaucratic posts are from time to time alleged to result from little more than the ruler's displeasure. It is certain that the ruler's displeasure can get one in very serious trouble. Allegations of corruption at high levels of government have become much more common now than they were in the 1960s. The facts, however, are hard to come by.

Chinese, constituting about one quarter of the populace, see peculiar problems after independence. The minority who have citizenship seem secure, and those who are resident aliens with citizenship abroad have a place to go if conditions become unsuitable. But many Chinese who were born in Brunei, and have no citizenship elsewhere, lack even Brunei citizenship. For them independence threatens statelessness, and great uncertainty.

Brunei exiles—about 200 men—are a potential problem. A few have been around since the rebellion; most left Brunei after the break-out of People's Party leaders in 1973. Some received training in Libya, but any plans for armed struggle have since been shelved. Presumably, most of the exiles would prefer to return to Brunei. A few have hopes of running for office in Brunei should the opportunity ever come.

A final, but minor problem, has been staffing Brunei's diplomatic corps. Persons trained for other jobs and happy in other bureaus have necessarily been uprooted for these new, important, and yet in some ways chancy positions.

Predictions

Business as usual is what the Sultan's government and its supporters hope for and expect. The business community, with the exception of its

potentially stateless members, has no apparent anxieties about the immediate future. But there will be a slight slowing down of the economy as the many building projects speeded up for independence come to an end. The main part of the economy, petroleum and liquified natural gas exports, will continue to thrive throughout this century.

Brunei will continue to be an Islamic state, but the internal implications of this are not clear. It has definite implications for Malaysia, which will be under increasing pressure from Muslims to keep up with Brunei.

Britain and other Commonwealth countries who have used and might like to continue using Brunei's jungles for military training have substantial reasons to prefer that the Gurkha regulars remain in Brunei. But it has been difficult to imagine a formula that would leave the Gurkhas in Brunei under British control without this being perceived as some residual form of "colonialism." Perhaps for this reason the terms of the Gurkha's presence have been kept secret. Events in Hong Kong, the nearest alternate station for the Gurkhas, are probably linked to this problem.

The withdrawal of Britain's overwhelming monopoly of force will unleash all sorts of possibilities for political development within the state. The very large sums of money involved in the petroleum industry and the international stakes in the disposition of petroleum resources will make political actions tempting and vital. The pressure to liberalize and share government power more widely will almost certainly mount. Yet there is a widespread perception that experiments with democracy can be highly destabilizing. Few, if any, Bruneis want to risk the loss of Brunei's independence to Malaysia or any other neighbor.

But the technocrats will surely become more restless, and the indigenous military officers could be in potentially decisive roles. The technocrats are to some degree divided by their educational backgrounds and may jockey in blocks that pit the Malay, English, and Arabic-educated against one another. Which group to watch is hard to say: the Malay-educated may be the best organized, the English-educated the best trained, but the Cairo-educated have a unique ideological appeal. Surely the technocrats will continue to become more influential, at the cost of old traditional elements whose numbers are increasingly less disproportionate in government. The policies the technocrats might pursue remain opaque.

Internal security will remain tight—no freedom of press, speech, or assembly. Curiously, I have heard few complaints about this in recent times from Bruneis, perhaps because these freedoms were not guaranteed in the traditional Malay polity. In the event that there is some liberalization within the next several years, the old People's Party, or a new party that overlaps to some degree with the leadership or program

of the old, could easily rise from the Party's scattered remains. Westernization will continue and will almost certainly clash at times with the desire of Brunei's Muslims to promote Islam.

Brunei will present something of a dilemma to westerners. The dominance of the Sultan—as an ideal—represents a real continuity with the past. So long as his rule is basically benevolent and reasonably consonant with Islam, the Sultan as an institution and as an individual has a secure place in Malay tradition. Respect for other peoples' traditions dictates that westerners accept this. And yet to degrees unknowable because of the lack of freedoms in Brunei, there are people there who would have a larger say in government. Western ideology dictates sympathy with them too.

These conflicting ideals will surely haunt Brunei in the immediate future. Should this lead to instability, it is almost certainly Malaysia that will gain. Many think that in the long run Brunei will join Malaysia; most Bruneis hope it will be a long time away. Malaysia could hasten the process, but there appear to be no current plans to do so.

INDIA IN 1983

New Challenges, Lost Opportunities

Robert L. Hardgrave, Jr.

India in 1983 faced enormous pressure in the turmoil and violence in Assam and the Punjab, deepening ethnic and communal enmities. Politically, with serious electoral losses in Andhra and Karnataka, Prime Minister Indira Gandhi went on the defensive, and the Congress (I) demonstrated the resilience that belies the pronouncement of the party's collapse. The opposition parties, still in internecine struggle, continued their unity efforts with the formation of two competing alliances. The economy, with good monsoons to invigorate it, carried the prospect of record food-grain production and expanded, if still sluggish, industrial output. Internationally, Indira Gandhi was in high profile as chair of the Non-Aligned Movement and host to the Commonwealth Conference. Within the region, however, new tensions emerged in the relations between India and Sri Lanka, and prospects for Indo-Pakistani detente dimmed in an exchange of mutual accusations.

Social Unrest

Arising out of India's diversity, the "fissiparous tendencies" of regionalism, ethnicity, and communalism have long been sources of social unrest. In 1983 they converged in eruptions of violence that left 4,000 dead in Assam and a caldron of discontent in the Punjab.

The problem in Assam is rooted in the old conflict between Assamese and Bengalis, but over the past decade, the Assamese have seen their culture and political power threatened by the increasing number of Bengali immigrants. Competition for jobs has fueled ethnic resentment, and economic concerns have been compounded by Assamese grievances that the Center has neglected the state and exploited its resources. The volatility of the situation is further complicated by tribal resistance to encroachment upon their lands by Bengalis and Assamese alike. In 1979

Robert L. Hardgrave, Jr., is Professor of Government at the University of Texas, Austin, Texas.

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the discovery that large numbers of illegal aliens from Bangladesh were on the voter rolls in Assam provided the impetus for student-led agitations to expel the "foreigners"—a movement that soon won the support of virtually the whole of the Assamese-speaking population. While the conflict remained essentially ethnic, tensions took on an increasingly communal character as both Hindu and Muslim organizations exploited mutual anxieties.

The catalyst to crisis was the government's decision to hold constitutionally mandated elections in February 1983 for the Assam state assembly and the 12 vacant parliamentary seats. The alternative was a constitutional amendment to postpone elections until such time that the disputed voter rolls could be revised and polling conducted peaceably. The Assamese students, joined by the non-Communist opposition parties, called for a boycott of the elections. As tension mounted the government sent in a contingent of polling officers from other states, together with police and paramilitary reinforcements. But as the police sought to maintain order in the cities, rural Assam erupted in violence—the most serious in India since partition in 1947. Assamese, Bengalis, and tribals attacked each other, and at the village of Nellie, the scene of the worst violence, Lalung tribals massacred at least a thousand Bengali Muslims—mainly women and children.

Polling had to be postponed in 16 of the 126 constituencies; in another, a candidate was murdered and the election results countermanded. Elections could not be conducted for 7 of the 12 parliamentary seats. With the boycott by the Assamese, the state-wide voter turnout was less than 33%—half that of the elections of 1978. In one predominantly Assamese district, the turnout was less than 4%. The Congress (I) won 91 seats, an overwhelming majority in the 126-seat assembly, but it was an empty victory. Viewed as illegitimate by the Assamese, the government was discredited even before taking office.

In the months since the February elections, Assam has been relatively quiet—rather like an undetonated bomb that could go off at any moment. The issues remain unresolved, and the government's commitment to construct a half-billion dollar fence along the Bangladesh border has been greeted with derision in Assam and protest by Dhaka.

As Assam receded from the headlines, events in the Punjab took a darker turn. Following its fall from power in 1980, the Akali Dal—the Sikh political party—submitted a memorandum of demands and grievances to the Prime Minister; tensions in the Punjab have grown as murders, bombings, and intermittent agitation have increased. The Akali demands center on the questions of Chandigarh as capital of the Punjab and the sharing of river water for irrigation among the Punjab and

adjoining states. Various religious demands, such as recognition of Amritsar as a "holy city," relate to Akali concerns for Sikh identity. The demands of the 1973 Anandpur Resolution for greater autonomy for the Punjab are more a talking point in Center-state relations than a serious aspiration for the moderate Sikh leaders who still retain control of the movement, but they are increasingly pressed by extremists led by Sant Jarnail Singh Bhindranwale, a zealot who has stirred Sikh revivalism and fueled Hindu anxieties. There is little support among Sikhs for an independent "Khalistan" (Sikh state) at this time, but the appeal of separatism could grow as extremists among both Hindus and Sikhs divide the communities in distrust and fear.

In early 1983 various mediators tried their hand at bringing a settlement to the crisis that was pulling India's most prosperous state to the brink of chaos. The Center took the initiative in drawing the Akalis into renewed discussions, and Prime Minister Gandhi accepted the major religious demands of the Akalis. The Center indicated its willingness to place the territorial and water issues before special tribunals for adjudication, but not until the agitation itself was called off. In March the government announced the appointment of retired Supreme Court Justice R. S. Sarkaria (a Sikh) to head a commission to review Center-state relations more broadly. The Akalis, committed to greater state powers, welcomed the decision, but continued to press their demands through agitation. In April the Akalis' *rasta roko* campaign, blocking the roads in protest demonstrations, left 21 dead.

In the following months, Hindu-Sikh antipathies deepened as Hindu chauvinists—the R.S.S., numerous Hindu "defense" organizations, and even some "secular" political parties—responded to the increasing stridency of the Sikh extremists led by Bhindranwale. In the first week of October, armed Sikh militants stopped a bus and shot its six Hindu male passengers. The same day, another band of Sikh terrorists killed two officials on a train. None too soon, the central government, invoking emergency powers under the Constitution, dismissed Punjab's Congress (I) ministry and imposed President's Rule. Police and paramilitary forces, with sweeping powers, sought to restore order as the new governor and his advisers settled in for what is likely to be a long and difficult period of reconciliation. An early settlement of the outstanding issues—and perhaps even shared power in a Congress-Akali coalition government—is imperative if Sikh moderates are to isolate the extremists. But the political costs for the Congress in neighboring Haryana and Rajasthan suggest that a resolution of the crisis may lie on the other side of the next parliamentary elections that will probably be held in 1984.

Religious revivalism in the Punjab is mirrored in heightened com-

munal consciousness throughout India. Hindu-Muslim tensions, the legacy of history, are nurtured by jealousy, suspicion, and competition for scarce resources. In 1983 incidents of communal violence took a heavy toll, the most serious in Hyderabad in September. In recent years, as communal groups—notably the Jamaat-e-Islami and the Majlis-e-Ittehadul Muslimeem among the Muslims, and the Arya Samaj and R.S.S. among Hindus—have stirred the spirit of revival, religious festivals in Hyderabad have grown in size and devotional fervor. In 1983 the Muslim *pankah* and Hindu Ganesh processions—the largest ever and only one week apart—were shows of strength by each community and a provocation to violence that left 43 dead in 18 days of rioting.

The volatility of religious sentiment—and its potential impact on electoral politics—was witnessed in November in the uproar over reports that vanaspati, the vegetable oil that is the staple of Indian cooking, was being adulterated by cheap imported beef tallow. Hindu revivalists, leading mass demonstrations, denounced the pollution, invoking the memory of the allegations of greased cartridges that spurred the mutiny of 1857. The opposition parties attacked Prime Minister Indira Gandhi for her failure to safeguard the purity of the nation; Congress leaders, in turn, accused the former Janata government of having approved the beef tallow imports in the first place. In an atmosphere of growing militancy and confrontation, the Vishwa Hindu Parishad (an R.S.S.-connected revivalist organization) launched a series of marches—*ekatmata yagya yatras*, or soul union pilgrimages—across the length and breadth of India. Prime Minister Gandhi warned of the “rabid communal forces” behind the marches and of the threat they posed in dividing the nation along religious lines. If she had been contemplating a call for early parliamentary elections, as many believed, it now seemed an unlikely prospect.

Party Politics and Elections

The year opened in the midst of the election campaigns for the Andhra and Karnataka assemblies. The two states had been under solid Congress rule since independence, surviving even the Janata wave in 1978. Politicians and the press viewed the elections as a referendum on the Congress (I)—not just on the discredited state governments, but on Prime Minister Gandhi's leadership. In what looked like a rehearsal for national parliamentary elections (which must be held no later than January 1985), Indira Gandhi and her son Rajiv, who played a key role in candidate selection, actively campaigned throughout Andhra and Karnataka, as did virtually all the major national opposition party leaders.

In Andhra, Telugu film star T. N. Rama Rao, adored by his public as an avatar of the gods he portrayed on the screen, commanded center stage.

Rama Rao (popularly known as TNR) offered school-lunch populism and a call for the devolution of power to the states. Appealing to regional sentiment, he attacked the succession of centrally imposed Congress chief ministers—four in two years—as an affront to Telegu pride. The opposition in Andhra remained divided: TNR's Telegu Desam; a united front of Janata, Lok Dal, the two communist parties (the CPI and CPM), and the Republican Party; and, going it alone, the Bharatiya Janata Party (BJP). But the Andhra Congress itself was in disarray and party organization at the grass roots nonexistent. In the January elections, the Congress defeat was massive. With only 30% of the vote (down from 39% in 1978), it won 60 seats in the 294-seat assembly. Other opposition parties fell before TNR's juggernaut: the Telegu Desam, with 46% of the vote, won 202 (69%) of the assembly seats.

The issue in Karnataka was the conduct and style of the state Congress government under Chief Minister Gundu Rao. Here the opposition parties united in a Janata-led front. The Janata (with the regional Kranti Ranga party) took 95 seats in the 224-seat assembly. The Congress, with 36% of the vote (down from 42% in 1978), won 81 seats. With independent and BJP support, the Janata had the necessary majority to form a government, with Ramakrishna Hedge as chief minister.

The Congress also lost in Tripura to the Communist Party—Marxist, a defeat for which it was prepared, but the Andhra and Karnataka losses came as a shock. The Congress defeats reduced the party to power in only 14 of India's 22 states. And while analysts were too soon to read a national pattern into the results, loss of support among Harijans and Muslims in both states portended serious erosion of the Congress party's traditional electoral base. The results, moreover, underscored the institutional weakness of the Congress organization and the costs of Indira Gandhi's imperious style. Throughout India dissidents within the party challenged Congress chief ministers with accusations of corruption and incompetence, and in Gujarat the Saurashtra-based faction broke away to form a separate Rashtriya Congress party.

In late January, in the wake of the Andhra-Karnataka debacle, Gandhi named Kamalapati Tripathi, 77-year-old former chief minister of Uttar Pradesh, as "working president" of Congress to "look after the affairs of the party." The position came to naught, and Tripathi was soon bypassed by the new party troubleshooter, Rajiv Gandhi, appointed in February as General Secretary of the All-India Congress Committee. Efforts to revitalize the party began, but the long-promised organizational elections (last conducted in 1972) were never held. In February Prime Minister Gandhi dumped Maharashtra Chief Minister Babaseheb Bhosale, universally described as a sycophant, and allowed the state Congress legisla-

tive party to choose as chief minister Vasantrao Dada Patil, a man with power in his own right. But Gandhi remained determined to hold the reins by balancing the state ministry with Patil's opponents. Himachal Pradesh's chief minister was the next to go, and then in August, probably at the urging of Rajiv, Bihar's controversial Jagannath Misra was forced to resign as chief minister.

Congress resilience was evident in the February Delhi polls, where Congress won a solid majority, retaining Sikh and Harijan support, though losing the Muslims to the opposition. Having expected to lead his party to victory in Delhi, BJP president Atal Bihar Vajpayee submitted his resignation. The party leadership refused to accept the resignation, since it refused to accept the Delhi elections result as a bellwether for Congress resurgence. The Assam elections later that month brought Congress victory, but in the context of boycott and violence, the government gained neither legitimacy nor respect. The next assembly elections were in June in Jammu and Kashmir. The Congress, as expected, lost to the incumbent National Conference. In the Hindu-majority Jammu constituencies, however, Congress emerged as the favored party over the BJP—in part because the R.S.S., as it had in Delhi elections, withheld active support for its traditional BJP cohort and may have, as some believed, tacitly backed the Congress. In its campaign appeal to Hindu sentiment, in which Indira Gandhi joined, the Congress deepened Hindu-Muslim enmity in the volatile state and drove the state chief minister Farooq Abdullah—once a potential ally—firmly into the opposition camp. Also in June, the Congress scored major victories over the BJP in municipal elections in Madhya Pradesh, and in the Uttar Pradesh panchayat (village) elections, the Congress overwhelmed both the Lok Dal and the BJP. In the West Bengal panchayat elections, the Congress made important inroads into the rural base of the ruling Communist Party-Marxist.

Any attempt to discern a pattern in these elections is like reading the entrails of a sheep. Local issues predominate, and even in the simultaneous defeat of Congress in Andhra and Karnataka, the party lost each state for different reasons. And the party's victory in Delhi a month later was again highly idiosyncratic. Even in organizational disarray, Congress shows resilience, and it remains the only genuinely national party. Congress defeats, however, bolstered the fragmented opposition parties in their attempt to come together. In May Andhra Chief Minister T. N. Rama Rao gathered 24 leaders of 14 opposition parties at Vijayawada to discuss their common interests, including Maneka Gandhi, the Prime Minister's disaffected daughter-in-law. Earlier, in March, Maneka—more a nuisance than a political threat—had launched the Rashtriya Sanjay

Manch, a political party built on the memory of her late husband, Sanjay Gandhi. The opposition conclave spanned the ideological spectrum, and the Communists and the BJP used the occasion to take jabs at each other. Setting aside their differences, however, the parties adopted a statement sharply critical of Indira Gandhi and, in an expression favorable to regional sentiment, called for greater autonomy for the states—a likely theme for opposition unity.

Pursuant to their agreement, opposition leaders again met in June in Delhi and in October in Srinagar in Kashmir. A fourth conclave, hosted by the CPM's Jyoti Basu, met at the end of the year in Calcutta. But the difficulties of achieving opposition unity were underscored by the failure of the BJP to attend the Delhi meeting and by the absence of both the BJP and the Lok Dal from Srinagar. In August the Lok Dal (the peasant-based party led by Charan Singh) and the BJP—together a major force in North India—formed the National Democratic Alliance. A month later, four parties came together to form a United Front: the Congress (S), with strength in Maharashtra; the Democratic Socialist Party, with a Muslim following and a base in Uttar Pradesh; the Rashtriya Congress, the Gujarat splinter; and, at the helm, the Janata Party. Remaining outside, at least for the time being, the Telegu Desam, the National Conference, and the two Communist parties indicated their support for the Front. Front leaders were also attempting to break the National Democratic Alliance—to wean away the Lok Dal and to isolate the BJP. But the United Front itself faces internal dissension, reminiscent of the factional feuds that brought down the Janata government in 1979 and hardly likely to enhance the credibility of opposition unity efforts.

Janata president Chandra Sekhar gained national attention earlier in the year by his six-month, 4,000 kilometer *padayatra* (walk) from Cape Camorin to New Delhi to dramatize the party's concern for the rural poor and to call for a restoration of moral values to national life. But while projecting himself as the next Prime Minister of India, he commands little control over his own party. The Janata is factionally divided, and more conservative leaders, such as former Prime Minister Morarji Desai and Subramaniam Swamy, oppose the socialist thrust of the party and look with particular distaste on the influence of H. N. Bahuguna, the ambitious DSP leader, within the United Front.

The opposition has yet to provide a national alternative to Congress. It remains divided, with two fronts, two Communist parties, and an array of regional and personal parties. The attempt to build a "left and democratic" front, excluding the BJP, is not likely to provide that alternative. Despite its electoral losses in 1983, the BJP remains the strongest non-Communist opposition party, and an opposition alliance that does not include the BJP will be unlikely to displace Indira Gandhi.

The Economy

After a year of low growth, principally the result of drought and world recession, projections for 1983–84 anticipate an increase of 5.5% in real national income, sustaining a high level of confidence in the performance of the Indian economy. Even the growth rate of 1.8% in 1982–83, however, can be taken as an achievement. Despite serious drought, agricultural production declined by only 4–6%—a testament to the modern inputs and expanded irrigation that have made India less vulnerable to monsoon failure. Industrial production, affected by power shortages, the Bombay textile strike, and world recession, was down in 1982–83 by 3.8%. On the power front, drought took its toll on hydroelectric output—and Madras faced not only power cuts that reduced industrial production but water scarcity so severe that there was talk of a partial evacuation of the city. Overall, even with deficient hydroelectric output, power generation grew by 7%; coal production expanded by 4%, and petroleum production was up an impressive 32%—easing the burden of India's staggering oil import bill. Power, however, remains a serious bottleneck, as demand outstrips capacity.

Projections for 1983–84 are favorable by almost every indicator except inflation, which in 1983 was again on the rise at an annual rate of about 11%. But good monsoons and expected bumper crops of rice, wheat, and pulses—an estimated food grains record of 141 million tons—should stabilize prices. Industrial output remains sluggish, but production is likely to improve following the good monsoon, filling hydroelectric reservoirs and expanding farmer's purchasing power. The end of the Bombay textile strike and an upswing in the international economy should also contribute to higher industrial growth. Public sector performance remains generally poor and commands little confidence, but the private sector—buoyed by the liberalized economic policy—shows considerable dynamism.

Pressure on foreign exchange eased somewhat as the trade deficit declined, the result of both increased exports and a significant decline in imports. India continues to face loan requirements to sustain economic growth, and now with limited access to concessional loans, India has been forced to borrow at higher rates of interest. The Government of India, however, even as it faces higher debt service, expressed the determination to avoid the "debt trap" that has brought so many other developing nations to the brink of bankruptcy.

Foreign Relations

India's international relations in 1983 were bracketed by two major meetings in New Delhi—the 101-nation summit of the Non-Aligned Movement (NAM) in March and the Commonwealth Conference in

November. In taking the chair of the NAM for a three-year tenure, India sought to set a moderate and pragmatic tone. This was reflected in the sober economic resolution calling for North-South cooperation, but the pointedly anti-American political resolution was hardly calculated to warm the industrial nations to the NAM's economic appeal.

India, however, remained on course in its own efforts to balance relations with the superpowers and, as demonstrated by continued arms purchases from the West, to reduce its dependence upon the Soviet Union. In July U.S. Secretary of State George Shultz visited India, albeit briefly, to keep the Washington-New Delhi dialogue going. In an atmosphere of rapport tempered by frankness, India reiterated its concerns about the U.S. supply of arms to Pakistan and American resistance to India's efforts to secure concessional loans from the multilateral development banks. The U.S. policy is to reserve concessional loans for the poorest developing nations and to graduate more advanced nations like India to the hard loan windows of the World Bank and to the commercial banks. The commercial banks are pushing the policy, since they are eager to make loans to India—a nation with a low debt service ratio and a record of no defaults. New Delhi's response is that the U.S. is punishing India for its fiscal responsibility, while rewarding the profligate with concessional loans. If discussions underscored the differences between the two nations, Shultz eased at least one concern with the announcement that the U.S. would allow India to buy spare parts for the Tarapur nuclear reactor from a third party (Germany later agreed), with the U.S. as a source of last resort. Rumblings of opposition from the U.S. Congress, together with the unresolved question of India's right to reprocess spent fuel, however, left no doubt that Indo-American difficulties over Tarapur are far from over.

Within the region, the foreign ministers of seven South Asian nations (India, Pakistan, Bangladesh, Nepal, Bhutan, Sri Lanka, and the Maldives) gave their formal assent to the promotion of "collective self-reliance" in nine fields, including agriculture, health, rural development, transport, and telecommunications, at a meeting in New Delhi in August. South Asian Regional Cooperation (SARC), however, will keep its distance from political and strategic questions, and many essentially multilateral problems, such as water resource development, are unlikely to be moved from the bilateral level upon which India has insisted.

As the foreign ministers gathered to talk of regional cooperation, Sri Lanka erupted in Sinhalese-Tamil violence. A press report from Sri Lanka said that President Jayewardene feared armed Indian intervention to protect the Tamils and had appealed to the United States, Britain, Pakistan, and Bangladesh for military assistance in the event of an inva-

sion. No such Indian intervention was seriously contemplated, and throughout what could easily have become an international crisis, India acted with restraint. Nothing, however, could have been more calculated to raise Indian alarm than the prospect of outside involvement in Sri Lanka. New Delhi's response involved the enunciation of a doctrine of regional security: India will not intervene in the internal conflicts of a South Asian nation and strongly opposes such intervention by any other country. India will not tolerate intervention in a South Asian nation if there is any anti-Indian implication, and if external assistance is required to deal with serious internal conflict, help should be sought from a number of countries within the region, including India.

India's talk of "noninterference" was not altogether matched by its public criticism of military rule in Pakistan and, amidst unrest in Sind, by Indira Gandhi's statement of support for the Movement for the Restoration of Democracy. Pakistani anger was compounded by a conference on Sindi culture held in New Delhi that was addressed by Indira Gandhi. For its part, India protested the stridently anti-Indian press in Pakistan and the implication by President Zia that India was behind the agitations in Sind. The "foreign hand" accusation was also raised against Pakistan, as Rajiv and some Indian officials—to considerable skepticism of the Indian press—proffered the notion that Pakistan was providing training, arms, and sanctuary to Sikh extremists seeking an independent Khalistan. Although neither Zia nor Gandhi were prepared to shut the door to continued negotiations on the no-war pact and friendship treaty proposals, mutual accusations had strained relations and seriously set back the movement toward detente.

In September Indira Gandhi was again on high ground diplomatically in her role as chair of the NAM. In a speech before the United Nations General Assembly and in an informal gathering of 24 heads of state, most from the nonaligned nations, Gandhi called for expanded loans to developing countries and, more fundamental, structural change of international economic institutions—themes she again pursued in hosting the Commonwealth Heads of Government Meeting in New Delhi in November. Queen Elizabeth, on a state visit to India, gave a royal touch to the Commonwealth Conference, and Indira Gandhi, undaunted by problems at home, held court with style and vigor.

PAKISTAN IN 1983

Internal Stresses More Serious Than External Problems

Khalid Bin Sayeed

Does one discern a pattern emerging from the problems and policies of Pakistan of 1983? The two most important events on the domestic front were the political disturbances in Sind during August-October and the announcement of the Sixth Five Year Plan in May 1983. Ever since the days of Bhutto, Pakistan's foreign policy makers have been admired for their adroitness and skill in waging Pakistan's struggle for survival so successfully in a fairly hostile environment. Pakistan's well-wishers often wonder why its rulers do not display the same statescraft and negotiating skills in dealing with domestic problems that they have brought to bear in conducting their relations with the major powers—China, the Soviet Union, and the United States.

President Zia-ul-Huq addressed the government-appointed Majlis-e-Shoora (Assembly of Councillors) on the future constitutional framework of Pakistan on August 12, 1983.¹ There were several elements in this speech that must have antagonized the politicians. His undertaking to hold elections for the provincial and national assemblies in March 1985 reminded them of similar assurances he had made in 1977 and 1979. The basic amendments to the constitution of 1973 that he announced as more or less firm government decisions were probably more infuriating. According to these amendments, the president would emerge stronger than the prime minister. The president would appoint as prime minister that person who in his view enjoyed majority support in the national assembly, but within two months of his appointment the prime minister would have to obtain a vote of confidence in the national

Khalid Bin Sayeed is Professor in the Department of Political Studies, Queen's University, Kingston, Ontario, Canada.

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1. *Constitutional Framework. President Zia-ul-Haq's Address to Majlis-e-Shoora on August 12, 1983* (Washington, D.C.: Information Division, Government of Pakistan, 1983).

assembly. The president would have the power to dissolve the national assembly if he felt that "a need has arisen for seeking a fresh mandate of the electorate." The president would also have the power to return a bill that had already been passed to the assembly for reconsideration. It was apparent from Zia-ul-Haq's speech that these powers as well as those relating to the appointment of provincial governors, etc., would not be exercised on the advice of the prime minister.

In the same speech, Zia also made it clear that he was not thinking of handing over power to political leaders. He himself would assume the office of the strong president that he was advocating.

No one should start speculating that A is quitting and B is coming or that the sun is setting here and rising there. . . . If God grants me life you and I both will be here and together we will serve this country in a manner behaving a Pakistani and a Muslim. God willing, we will certainly succeed.

In addition, Zia claimed that the martial law government was constitutional and Islamic. He went on to argue that it was the duty of Pakistanis as Muslims to obey his government because it was pursuing Islamic principles. He cited the Qur'an and a *hadith* (saying of the Prophet) in support of the idea that as long as the head of state followed the injunctions of Allah and his Prophet, obedience became mandatory for his subjects. Again, deriving his authority from the Qur'an, he pointed out that those who opposed or demonstrated against his government could be accused of waging war against an Islamic government and therefore indulging in anti-Islamic activities.²

It was apparent that Zia was ignoring the fact that Pakistan under martial law was not a democracy and that Sindhis, Baluchis, or others who suffered from a sense of deprivation had no constitutional or peaceful method of expressing their opposition except to resort to militant demonstrations. This was precisely what happened when the Movement for the Restoration of Democracy (MRD), drawing its support from eight parties, decided to oppose Zia's constitutional proposals as well as his attempts to hold local elections as a prelude to the provincial and national elections to be held in March 1985. The parties that spearheaded the campaign against Zia were the Pakistan People's Party (PPP) in Sind and Punjab, the National Democratic Party with its strong base in the N.W.F.P., as well as others such as the Tehrik-i-Istiqlal and several groups from Baluchistan, Karachi, etc.

2. Ibid., p. 38.

Demonstrations in Sind

It was clear from the beginning that the opposition would be concentrated in the province of Sind. The grievances of the Sindhis were long-standing, and they had not been rectified even under the Sindhi Prime Minister Bhutto. However, Bhutto's popularity and the presence of other Sindhi politicians in the central government as well as certain attempts on the part of the elected PPP governments in Sind during 1971-77 to rectify Sindhi grievances had disarmed much of Sindhi opposition to the central government. But under Zia's military rule, Sindhi bitterness about the growing injustices they suffered had become so strong that a number of groups—students, doctors, lawyers, and some of the radical sections in the PPP—were toying with the idea of secession.

According to figures often cited by Sindhis, no more than 2% of Pakistan's armed forces came from Sind. Only 5% of the federal civil service was from Sind. Most of the key positions in the provincial administration were held by non-Sindhi bureaucrats. Of the 2,000 industrial units in the province of Sind, only 500 were controlled by indigenous Sindhis. Above all, Sindhis in their own province were becoming a minority with their share of the population having been reduced to 45%.³

In addition to these economic factors, there were others that operated at lower or even mass levels. In a number of Sindhi urban areas, it was mostly Punjabi and other non-Sindhi *muhajars* (refugees from India) who dominated the wholesale and retail trade. Sindhi peasants in the rural hinterlands of these areas had become aware that most of the irrigated land allotted during the 1950s and 1960s was in the possession of non-Sindhi civil service and military personnel.⁴ The prosperity that had resulted from the remittances each year of millions of rupees from Pakistan workers in the Middle East to their families was mostly confined to the rural and urban areas of the Punjab because far fewer Sindhi skilled and unskilled workers were able to get jobs in the Gulf states.

When MRD politicians called for demonstrations against Zia's constitutional proposals, it looked as if the movement would be confined to tactics like raising slogans against the Zia regime and speeches by Sindhi land-owning politicians such as Mumtaz Bhutto (Bhutto's cousin), who had been a chief minister of Sind and a central minister under Bhutto,

3. Mary Anne Weaver, "Pakistan's Protests Stir Up Ethnic Divisions," *The Christian Science Monitor*, September 2, 1983.

4. Maleeha Lodhi, "The Only Way—Out," *South, The Third World Magazine*, October 1983.

and Ghulam Mustafa Jatoi, also a former chief minister of Sind during the Bhutto period. These PPP leaders and other feudal leaders belonging to the Talpur and Chandio families courted arrest. It was significant that the demands of such political leaders were couched in constitutional and economic terms. Jatoi condemned the punishment by flogging that was meted out to the demonstrators as un-Islamic and claimed that the movement was designed to save Pakistan from chaos and disintegration. The constitutional demands of such groups, including that of Mumtaz Bhutto with his strong leanings towards Sindhi nationalism, were for a confederal structure of government under which Sind would be accorded parity with the other three provinces, including the dominant and majority province of Punjab.

From the beginning there was a populist dimension of this movement in the form of thousands of devout religious followers of well-known *pirs* (spiritual guides or even divines) like the famous Makhdum Muhammad Zaman of Hala and the third largest *pir* in Sind, the Pir of Ranipur. The two *pirs* with the largest following in Sind are the Pir of Pagaro, who tended to be progovernment, and the Makhdum of Hala. As many as 50,000 followers of the Makhdum of Hala gathered to court arrest and blocked the national highway for several hours in late August. It was significant that the *pirs* were spearheading a movement against the Zia regime, which had introduced a number of major Islamization reforms. In addition to the political and regional grievances, the *pirs* resented the Zia regime's attempts to introduce the unitarian Sharia structure since the shrines and other institutions through which they maintained their hold over their followers were anchored in local practices and traditions of the Sufis, who had preached that there was no single uniform way to divine grace.

If the PPP leaders supported by the *pirs* could bring out the Sindhi masses against the Zia regime, the credit of providing organizational depth to these demonstrations lay with a leftist (Marxist and Maoist) organization, the Sindhi Awami Tehrik (Sindhi People's Movement). Its principal leader was Rasul Bux Palejo, a prominent Sindhi poet, who had been in prison for the past four years. The Tehrik had organized the peasants in rural areas and had set up organizations among the peasants, students, and workers.⁵ In some cities in Sind such as Badin, Thatta, and Ghotki, militant demonstrations were largely organized by the Tehrik.

During late August and September, when the movement became increasingly militant and violent, the army had to be brought in and took control of some of the main towns of central and northern Sind. All

5. Mushahid Hussain, "Protests Underline Need for Dialogue," *The Muslim* (Rawalpindi), August 22, 1983.

universities were closed. The press notes issued by the district magistrates of Nawabshah, Sakkur, Larkana, Jacobabad, and Khairpur districts referred to exchange of fire between the demonstrators and the police and attacks on banks, factories, government offices, and railway stations. It looked as if the militant demonstrations taking place in some of the main towns and cities lying along the route of the Pakistan Western Railway were designed to disrupt railway communications between Sind and Punjab. It was also suggested that the idea was to make the traders and businessmen in Punjab who depended upon the import of goods, particularly oil from the port of Karachi, suffer as a result of the ambushing and disruption of trains. The common impression was that the press in Pakistan was completely under government control. This was not confirmed when one read the newspapers *Dawn* and *The Muslim*, which reported extensively and often in depth about the demonstrations in Sind that we have analyzed above.⁶

During the Ayub and particularly during the Bhutto period, it had become apparent that political movements could not overturn governments without there being a similar upsurge in the majority province of Punjab. When Punjab did not display much enthusiasm for the Sindhi demonstrations, Begum Bhutto appealed to the people of Punjab to rise and join the antigovernment campaign. This appeal did not receive much support in Punjab. Even the PPP supporters in Punjab were unable to launch a massive movement because an impression had been created in Punjab that the Sindhi movement was being waged by Sindhi nationalists or even potential secessionists. To Punjabis this did not look like a movement entirely devoted to the restoration of democracy. Thousands of jobs in the Middle East with millions of rupees circulating in Punjab had created a climate not very conducive to sustaining a campaign in which the protesters would face long periods of incarceration, fines, and flogging.

Another crucial factor was the statement by Mrs. Gandhi that Indians would support all democratic movements in Pakistan. To Punjabis this had ominous overtones. Trade unions in cities like Karachi and the urban centers of Punjab were not willing to face the consequences of political agitation under a martial law regime, particularly in view of a few large wage settlements that they had recently received. In the rural areas of Punjab, Zia seemed to have created the impression that he was genuine in his concern about Islamization. This was probably also the impression

6. Besides the daily issues of *Dawn* and *The Muslim*, we have also found that *The Times of India* and *The Times* (London) for the period August 16–October 31 have reported the Sindhi disturbances in considerable depth.

in the N.W.F.P. In addition, for Punjabis and particularly for the Pathans, the Russian presence in Afghanistan had placed them in a quandary. By campaigning against the military regime, they thought they might play into the hands of their external enemies. In addition, the eventual prospect did not look all that promising in terms of democracy because with the politicians divided in terms of parties and regions, at best they might succeed in replacing one general with another.

Next to Sind, Baluchistan had considerable potential for disaffection. Here the Zia regime seemed to have neutralized considerable hostility to the central government by pouring money into development projects. Through such means the government had been able to undermine the influence of the sardars of some of the Baluch tribes. The government had enlisted the support of the sardars' own middlemen by making them labor contractors and in some cases even entrepreneurs for development projects. Many job opportunities were also created for such middlemen in the local government.

Even if the Zia regime did not feel seriously threatened by a political movement like that in Sind, Zia had to realize that the movement did pose a threat to the future stability and integrity of Pakistan. Zia was unwilling to provide a constitutional and political framework within which Sindhi demands for economic and political autonomy could be discussed with a view to reaching a consensus. These demands had been so persistent in the subcontinent that unity imposed from the top in the name of Islam, particularly by a military regime, would only stiffen Sindhi resistance and resentment. Even though the government admitted that the main causes of Sindhi demonstrations were economic, they tended to absolve themselves of the Sindhi complaint regarding regional injustice either by blaming the former Bhutto government or by suggesting that sinister foreign influence lay behind Sindhi unrest. Zia announced on October 30 the appointment of a committee at federal and provincial levels to examine the subjects in which Sindhis had a feeling of deprivation. A more statesmanlike gesture on the part of the government would be to admit that certain major mistakes had been made and that in the discussions regarding the future political and constitutional setup, all genuine demands of the Sindhis for a confederal center and for provinces enjoying maximum autonomy would be explored.

Optimism for the Sixth Five Year Plan and Constraints on Growth

Pakistan's Sixth Five Year Plan (1983-88) was announced as "From Turnaround to Takeoff" in an advertisement feature in *The Economist* of November 19, 1983. According to the plan's growth estimates, Pakistan

will achieve a 6.5% average annual real GDP growth rate—a 4.9% average annual increase in the agrarian sector, a 9.3% average rise in manufacturing, and a 20% real gain in family income over the plan period, an increase of Rs. 900 per family per annum. Public sector investment will amount to Rs. 290 billion with Rs. 116.5 billion for energy, Rs. 20.5 billion for industry, Rs. 15.3 billion for agriculture, Rs. 57.5 billion for transport and communications, Rs. 19.8 billion for education, and Rs. 13 billion for health. However, as compared to the public sector investment, the private sector investment of Rs. 200 billion, which accounts for 91% of all new investment in industry, is expected to be the more important dynamo of growth and development.

Impressive as these growth rates are, it becomes obvious when one reads the Sixth Five Year Plan that they have been upstaged by human resource development. The plan tries to convey its concern for human resource development by setting the targets in ambitious terms. The literacy rate will increase from the current 23.5% of the population to 48%, and primary school enrollment will rise by 75%. Clean water will become available to 60% of the population as against 38% at present, and electricity will be available to 53% of the population compared with 31% at present. By the end of the plan, 81% of the villages will be electrified.

It seems that the planners have been so carried away by the euphoria of development that they have not considered carefully the constraints under which any such planning exercise operates in Pakistan. During the Fifth Five Year Plan (1978–83), the average ratio of defense expenditure to tax revenue of the federal government amounted to about 44%. Pakistan's total external debt is running currently at about \$11 billion. It has been estimated that servicing this debt accounts for 80% of every new dollar borrowed. Thus, the plan itself admits that only about 25% of the resources mobilized by the government are available for all other expenditures, all of which are by no means purely developmental.

There is no evidence as yet that the private sector feels so enthusiastic and energized by a whole series of deregulation policies announced by the government that it will play a principal role in helping the economy to soar to the heights envisaged by the plan. Under the deregulation policy, there will be a phased withdrawal of all the bureaucratic controls that the private sector thinks has choked the economy. Under the proposed Industrial Investment Schedule, certain priority industries will be specified where investment can be made without limit and without any prior government approval. The president in his recent speech on the constitutional framework announced that one of the amendments to the constitution would ensure the encouragement and protection of the

private sector. The government has constantly reiterated its guarantee to desist from any new nationalization and has also denationalized a number of industries, particularly in the agricultural and food processing sectors. In spite of such assurances, private investment rose only from 4.1% of GNP (at market prices) in 1977-78 to 4.9% in 1982-83. This is by no means a dramatic improvement since the days of Bhutto's nationalization period.

In calling upon the private sector to become more efficient and competitive, the Plan says that it "should be freed to live by the logic of the market so long as it is prepared to die by the logic of the market and does not run to the government for rescue each time a private enterprise gets into trouble or becomes commercially sick."⁷ The private sector in Pakistan has always led a sheltered and pampered existence. Just as it found that regulation was not altogether harmful, it may find that deregulation is not altogether beneficial.

The ambitious targets for human resource development have to be considered within the framework of both economic and political factors. It must be borne in mind that the quality of life as measured in terms of literacy, health, and housing that is available to the lower income groups is so low that Pakistan is often ranked among the poorest countries of the world. If the figures relating to human resource development are broken down in rural terms, one finds that only 22% of the people have safe drinking water available, less than 50% of the rural primary school age children actually go to schools, and to cap it all, rural female literacy is no more than 5%.⁸ According to the plan's targets, the overall literacy rate will be raised to 48% in 1988. It seems that the literacy rate in Pakistan in 1988 will not be very much higher than what India attained in 1981 (the effective Indian rate is perhaps 42%).

According to the plan, about two million slum dwellers would be provided with adequate housing, including such services as electricity and water supply. When one considers that 25% of the urban population—over six million people—are currently living in slums, the removal of two million people from slum areas will diminish the misery for probably much less than a third of such people because there will be more slum dwellers by 1988. It is significant that the planners never address themselves to the central fact that a good deal of the misery of the poor springs from their not having any political clout. Pakistan's planners do not emphasize that Pakistan needs a political system in which

7. Planning Commission, Government of Pakistan, *Sixth Five Year Plan 1983-88* (Islamabad, 1983), p. 15.

8. *Ibid.*, pp. 17-18.

the poorer classes would have an opportunity to seek redress through political means.

Survival and Influence Through Foreign Policy

In order to counter what it regards as hostile winds blowing from the Soviet presence in Afghanistan and occasionally from India, Pakistan has tried to use the assets acquired through its cordial relations with China and the military and economic aid obtained from the United States. In its struggle for survival, Pakistan has tried to improve its relations with India and seek a comprehensive settlement regarding the Afghan question with the Soviet Union. In its efforts to be influential, Pakistan has developed its own presence and interests in the Near East, which do not always coincide with those of the United States. Thus, the main objective of Pakistan's foreign policy, in the words of Foreign Minister Yaqub Khan is "to manoeuvre with flexibility on multiple fronts."

During 1983 Pakistan tried to reach a comprehensive settlement with the Soviet Union and the Afghan regime through the trilateral indirect talks promoted by the United Nations in Geneva between the Afghan regime, Pakistan, and Iran. The Pakistani demand was for the withdrawal of Soviet troops from Afghanistan within a time frame and the return of Afghan refugees to their country. The Afghan regime for its part demanded guarantees of noninterference from the United States and China and an end to the flow of arms to the guerrillas. From Pakistan's point of view, any such guarantees of noninterference would also include noninterference in its border areas on the part of the Soviet Union and Afghanistan. There was some speculation that a settlement was within reach in April 1983, but given the complicated nature of the points at issue, no political settlement emerged.⁹ However, Pakistan was interested in the continuation of indirect talks promoted by the United Nations and hoped that the planned visit of the Secretary General's representative to the area in April 1984 to ascertain the wishes of the refugees regarding conditions for their voluntary return would take place.

Relations with India, which had improved immensely in 1982 with the establishment of a joint commission to explore the possibilities of cultural and commercial exchanges, suffered a setback in 1983. Mrs. Gandhi's statement of support for the political demonstrations against Zia on the plea that India as a democracy must support such democratic struggles was denounced by Zia as interference in Pakistan's domestic affairs.

9. Selig S. Harrison, "A Breakthrough In Afghanistan?," *Foreign Policy*, no. 51, Summer 1983.

India in its turn accused Pakistan of supporting militant groups in east Punjab in their struggle against the Indian government.¹⁰

How important Pakistan's relations with the Gulf states have become may be interpreted from the disclosure that about 20,000 of Pakistan's troops were stationed in Saudi Arabia and another 10,000 were mostly in the small Gulf sheikhdoms.¹¹ These were not mercenary forces but were provided after government-to-government negotiations in response to requests of the rulers, whose nervousness arose more from internal security concerns than external threats. As for threats from the super-powers, Zia's perceptions were very similar to those of Saudi Arabia. Like the Saudis, Zia would like the American Rapid Deployment Force to stay within reachable distance but without any land bases in the area. They should not come rushing in but exercise their option only as a last resort.¹² By exporting much-needed wheat to Iran and making sure not to take sides in the Iran-Iraq war, unlike the attitude of the Arab states that supported Iraq, Pakistan increased its capacity to calm the passions in a highly inflamed area. One can expect this influence to increase considerably in the future if Pakistan becomes one of the main providers of what the Gulf and the Near Eastern states sorely need—food and military manpower.

10. There has also been discussion in the Indian press about certain influential circles in India who have been consistent in their support of a settlement with Pakistan. For example, see Girilal Jain, "The Friends of Pakistan," *The Times of India*, September 7, 1983. It may also be noted that large numbers of Sikhs from India visited the Sikh temples and shrines in Pakistan in 1983.

11. *The Military Balance 1983-84* (London: The Institute for Strategic Studies, 1983), p. 97, and *The Christian Science Monitor*, October 3, 1983.

12. *The Washington Post*, October 2, 1983.

AFGHANISTAN IN 1983

And Still No Solution

Louis Dupree

The fourth anniversary of the Soviet invasion of Afghanistan occurred December 24, 1983.¹ The Ghost of Christmas Past gently pricked the world's conscience, a reminder that the first direct Soviet armed intervention since World War II in an independent, nonaligned country remained largely unanswered—except by the Afghan *mujahidin* (freedom fighters).

Some observers thought they saw a light at the end of the tunnel as the indirect Geneva talks,² monitored by the United Nations, progressed from Geneva I (June 1982), II (April 11–29, 1983), and III (June 12–24, 1983). Nothing substantive came out of the talks, however, and no arrangements have been made for Geneva IV. Only Pakistan and Afghanistan participated in the conference; Iran refused because the Afghan *mujahidin* were not represented. Also, Pakistan's foreign minister, Sahabzada Mohammad Yaqub Khan, did not talk *directly* with Afghanistan's foreign minister, Shah Mohammad Dost, for this would imply recognition of the Babrak Karmal regime. The U.N. representative, Diego Cordovez, served as a shuttle between the two parties, and both he and Yaqub Khan kept the Iranian diplomats at the Palais des Nations informed.

But all parties concerned, including the USSR, loosely agree that ways should be found to implement the four guidelines substantially accepted by (among others) the U.N. General Assembly, the Organization of

Louis Dupree is Visiting Professor, Woodrow Wilson School, Princeton University, Princeton, New Jersey, and Adjunct Professor of Anthropology, Pennsylvania State University, University Park, Pennsylvania.

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1. Louis Dupree, "Afghanistan in 1982: Still No Solution," *Asian Survey* 23:2 (February 1983), pp. 133–142. For a 1983 chronology, see the quarterly *Afghanistan Forum Newsletter* (201 East 71 St., 2K, N.Y., N.Y. 10021).

2. Among others, Selig Harrison, "Nearing a Pullout from Afghanistan?," *New York Times*, June 6, 1983.

Islamic Conference, and the Non-Aligned Movement (latest session held in New Delhi, March 7-12, 1983).

Basically, the four points include (paraphrased): (1) withdrawal of all "foreign troops" from Afghanistan; (2) nonintervention by foreign troops in *both* Afghanistan and Pakistan, coupled with noninterference (cessation of outside aid to the *mujahidin*); (3) international guarantees for point (2) (probably by the five permanent members of the U.N. Security Council, *or* the superpowers); (4) honorable repatriation of the Afghan refugees, with the right to choose their own—but nonaligned—form of government.

The Geneva talks bogged down over several issues: Pakistani insistence on the primacy of a time table for the withdrawal of Soviet troops; Afghan concerns over continued "interference" in their internal affairs; and the problem of how to ascertain the wishes of the Afghan refugees.

Cordovez will attempt to get the Geneva talks back on track in April 1984, when he plans a series of round-robin talks in Tehran, Islamabad, and Kabul. But the talks *have* institutionalized the processes by which a political settlement can be approached and, therefore, remain a door for negotiations that can be opened at any time by interested parties.

The Peshawar Merry-Go-Round

During 1983 two major political coalitions existed in Peshawar, Pakistan,³ with branches in Quetta and elsewhere. Many minor parties hung around the fringes, hopping from one coalition to the other, trying to maximize their chances for survival. Divisive tensions also existed *within* the two coalitions. And, to further confuse the unwary, the coalitions both use the same name: *Ittehad-i-Islami-Mujahidin-i-Afghanistan* ("Islamic Unity [or Alliance] of the Afghan Freedom Fighters").

Western observers usually refer to the Group of Seven (GS) as "fundamentalist" or "conservative" Muslims, pejorative Western terms concerning the West's perceptions of the Ayatullah Khomeini's Iran.⁴ The Group of Three (GT) is called "moderate," "liberal," or "progressive." Both groups articulate the same general goals—Soviet withdrawal and a "new" Afghanistan with a government based on Islamic principles, but *not* dominated by a religious *ulema*.

The GS's manifesto (anti-Western and anti-materialist, as well as anti-Communist) attempts to reidentify Afghan cultural values within the context of Afghan (not Iranian, not Arab, not Pakistani) Islam. Eden

3. For a list and brief discussion, see Dupree, "Afghanistan in 1982," note 6, p. 142.

4. In my opinion, a false perception. See my "Islam: Design for Political Stability," *Christian Science Monitor*, February 15, 1980.

Naby and others prefer the term "revolutionary" Islam to "fundamentalist" and I agree.⁵

The GT manifesto is more secular, and anticipates a return to the pre-1973 coup status quo. Some GT leaders have "royalist" persuasions, and the former monarch, Mohammad Zahir (1933–73) recently tossed his battered crown into the political morass. In a lengthy interview in *Le Monde* (August 22), Zahir said he wants to "participate directly in the war," but "without seeking to restore the monarchy."⁶

Support for the ex-king comes mainly from many among the Western-educated bureaucrats and technocrats who have fled Afghanistan. These are the same educated elites largely responsible for the failure of the 1963–73 experiment in constitutional monarchy. Their failure to implement the necessary reforms to move Afghanistan toward a viable democracy (within Afghan cultural patterns) contributed directly to the 1973 leftist take-over, which ultimately led to the Soviet intervention.

The role the former king might play remains ambiguous. Some believe he could be a rallying point for the Pushtun tribal groups, but the Pushtun constitute only about 50% of Afghanistan's population. Most non-Pushtun leaders have indicated they will not support the restoration of a Pushtun dynasty. Also, some Pushtun outside the Durrani (tribe of Mohammad Zahir) have been less than enthusiastic. However, some *mujahidin* express willingness to accept Zahir as a temporary, symbolic figurehead—if he can build a unified structure among the various groups, but they are suspicious of the ex-king's family and sycophants.

If Zahir's gambit increases the divisiveness between the groups, a distinct possibility, the Soviets and the Democratic Republic of Afghanistan (DRA) will benefit. In fact, some observers, both Afghan and foreign, believe the Soviets are maneuvering to bring Zahir out of the political closet. The representatives of several Arab nations (Saudi Arabia, Jordan, Egypt, Bahrain, Kuwait, and Qatar⁷) prevailed on the Group of Seven leadership to elect a president for a two-year term instead of the usual monthly game of presidential musical chairs. The Arabs (according to rumor) promised a \$16 million carrot. So, in May, one month before Geneva III, GS elected Abdul Rasul Sayyaf, a former professor of Islamic theology at Kabul University, as president.

5. Eden Naby, "The Afghan Resistance Movements: A Discussion Paper," presented at the International Conference on Afghan Alternatives, Monterey (Calif.) Institute of International Studies, November 15–18, 1983.

6. Mohammad Zahir's disclaimer sounds similar to that of his father, Mohammad Nadir (1929–33), just before being proclaimed king. See Louis Dupree, *Afghanistan* (Princeton: Princeton University Press, 1980), p. 459.

7. All these nations, in varying degrees of intensity, are Western oriented.

Of more immediate concern to the *mujahidin*, both inside and outside Afghanistan, is the spreading infiltration of KHAD (Afghan KGB). Teams of 10–15 KHAD agents sneak into Peshawar and Quetta, where they rent sections of adjoining rooms in hotels, places where urban Afghan refugees often gather. KHAD operatives have several interlocking missions: identify and assassinate *mujahidin* military commanders when they visit Peshawar and elsewhere; arrange to have rival GS and GT political groups blamed for the murders; stir up trouble in the camps between different ethnic groups; escalate growing tension between the local population, the refugees, and Pakistani officials. The KHAD infiltrations have been at least partly successful in these objectives. Pakistani security authorities, however, have identified and “neutralized” a number of the KHAD teams.

The World's Largest Refugee Problem Continues

While the Peshawar merry-go-round rolled on, Afghans continued to flee their country, but in fewer numbers than previous years (the January 1984 estimate is about 25,000). The *official* total in Pakistan is about 2.8 million, but the “numbers game” is a favorite pastime between the government of Pakistan, United Nations High Commissioner for Refugees, World Food Programme, bilateral donors, and the approximately 18 voluntary agencies involved in refugee programs. Several factors affecting the various estimates that appear in the media, currently ranging from 1.5 to 3.2 million, should be considered. Because of human saturation, no refugees were registered in the North-West Frontier Province (NWFP) after October 1982. As incidents of “bogus” registration are uncovered, refugees on waiting lists can be registered, however.

The Pakistan government permits the Afghan refugees unrestricted mobility, and this makes it difficult to determine the exact number of refugees at any given time. Some adult males leave to seek work outside the camps and travel as far south as Karachi, or even to the Gulf. Others infiltrate across the border to fight with the *mujahidin*, and it is virtually impossible to separate the *mujahidin* and the *muhajirin* (refugees) in any re-enumeration process.

Re-enumeration takes place each time rations are issued, and Pakistani officials adjust the figures accordingly. If the absence of someone listed on the rolls cannot be verified, he or she is deleted. The average sex-age percentages in the camps are 75% women and children under 15 with the rest older men and a few young men to serve as protectors.

The government of Pakistan made plans to move about 300,000 refugees from the oversaturated NWFP to the Punjab, which made

neither refugees nor Punjabis happy. But about one of every six people in the NWFP is a refugee, and the ratio in the Federally Administered Tribal Agencies (FATAs) is even higher, at times one to one! About 100,000 refugees should have been shifted to Punjab by the end of 1983, but accurate figures are unavailable at this time. In addition, a number of refugees returned to the NWFP after being transferred—and the process continues. One main reason for the remigration is the heat of the plains.

The Pakistan government still refers to the Afghan refugee villages as Refugee Tented Villages (RTVs), for mud-brick houses hint at a permanence that neither the Pakistanis nor refugees wish to contemplate. But as the RTVs grew, the refugees began to replace the tents with traditional mud huts and mud-walled compounds, similar to those left behind in Afghanistan. Small shops sprang up to satisfy local needs. These shops, clustered together, create a bazaar.

One economic factor caused the Pakistan government not to interfere in the emerging settlement patterns. Tents are expensive (about \$144 for 4–5 persons), and have a life-span of approximately 18 months. Replacing tents became an expensive proposition, and available resources were at hand to transplant the preinvasion Afghan village settlement patterns. But socio-political institutions, though still recognizable as Afghan, have skewed away from traditional patterns. The status and role of women, previously moving toward equality, eroded considerably.⁸

Three types of *maliks* (headmen of villages or village sections) function in the RTVs. The *traditional* “white beards” still play important roles *inside* the transplanted villages, but two new types have emerged. The “self-made *malik*” has usually returned from employment in Iran or the Gulf states, and has experience in dealing with government officials and other outsiders. Whenever corruption exists, he is often in the middle. The second type is the young commander of *mujahidin*, who occasionally returns to visit his family in the RTV. His new role as military leader has given him enhanced status.

Obviously, corruption does exist. But corruption seldom goes beyond the allowable bounds of deviance. (*All* societies have acceptable limits of corruption; 10% may be acceptable, but 40%, no.) Also, high-ranking Pakistanis are usually quick to punish excessive corruption by transfer, demotion, or dismissal.

Tensions between refugees and local populations are usually economic. Refugees are technically not permitted to buy land, but some

8. Nancy Hatch Dupree, *Revolutionary Rhetoric and Afghan Women*, Occasional Paper No. 23, Asia Society (New York, 1981).

have. Afghan shopkeepers compete with local shopkeepers in bazaars. Others join joint commercial enterprises with Pakistani partners. Afghan motor vehicles with legal temporary registrations compete with Pakistanis on the roads. Afghan labor is in great demand, because Pakistani contractors consider Afghans more reliable and harder working than locals.

In general, Pakistan has benefited because of the refugees. Foreign-assisted developments have increased in number and quality (roads, irrigation, reforestation). The West, particularly the U.S., has developed a renewed interest in Pakistan's political survival. And now, Pakistan is one of the major leaders in the Muslim world. Too, the money invested in Pakistan by Afghan refugees will not leave if the refugees return home.

But no matter how the situation is presented, the refugees are still refugees and want to return home. If they cannot, the world must deal with a volatile Palestinian-Arab-type situation—with a much more explosive potential.

Inside Afghanistan: The Warp and Weft of the Resistance

Several patterns of the war inside Afghanistan continued through 1983. Soviet search-and-destroy missions struck at main guerrilla force areas, and the "rubbleization" of Afghan villages and "migratory genocide" were still major tactics.⁹ Urban guerrilla warfare intensified,¹⁰ and occasional daylight attacks occurred in Kabul and other main cities. Soviet advisers controlled the DRA ministries, which are riddled with *mujahidin* sympathizers. Few moves, military or civilian, take place without advance knowledge by the freedom fighters.

Many "internal refugees" have helped make this possible. An estimated two million (or more) people have fled their "rubbleized" villages, and not all go to Pakistan or Iran. Large numbers move to unmolested rural areas, or to the cities. Kabul, the capital, now has an estimated population of two million; the 1978 population was about 750,000.

The *mujahidin* control a sizable amount of the commercial trade inside Afghanistan, as well as the traffic that crosses into Pakistan and Iran. They pass Soviet checkpoints (about 40 exist from Kabul to Torkham on the Pakistani border) and drop off small packets of hashish. Apparently, the use of drugs is escalating among the Soviet troops. Also, large

9. I have discussed these processes in several articles—e.g., "What is Happening in Afghanistan?," *Times* (London), January 7, 1981; Dupree, "Afghanistan in 1982."

10. For more details, see *Afghan Information Centre Monthly Bulletin* (P.O. Box 228, Peshawar, Pakistan), November–December 1983.

quantities of opium and hashish are smuggled into the FATAs and NWFP, where much of the raw drugs is processed before being shipped to the Western world. The rumor that the *mujahidin* use the drug traffic to largely finance their *jihad* (holy war) is unfounded, but certainly smuggling exists, and some Afghans and Pakistanis have accumulated fortunes.

Lack of political unity still plagues the various *mujahidin* groups inside Afghanistan, just as a lack of unity plagues the coalitions outside Afghanistan. But unified military cooperation is becoming commonplace. When one area is threatened by Soviet and DRA puppet troops, *mujahidin* from places nearby (and often from far away) come to the assistance of their beleaguered colleagues. Leadership *inside* Afghanistan is becoming more important than the leadership *outside*.

But if the Soviets ignore an area for several months, local groups will compete for power. Four such elements exist in the Hazarajat (central mountains); Nuristan (eastern mountains) has at least three. These local struggles for power do not indicate a breakdown in unity, for such unity never existed. Contiguous groups will cooperate for specific periods of time to drive out an intruding force, but will not necessarily remain cooperative units after the outsiders leave, and may actually fight one another.

An interesting event occurred early in the year. After lengthy negotiations, Ahmad Shah Masud, a major *mujahidin* leader in the Panjsher Valley north of Kabul, signed a six-month cease-fire agreement with local Soviet and DRA commanders. In dealing with Masud, the Soviets tacitly accepted his leadership in the Panjsher, and by extension, recognized the *mujahidin* as a legitimate political force.

Neither side really observed the truce, for the Soviets broke it almost immediately by publicly announcing it. But Soviet garrisons did withdraw from their main Panjsher outposts. Also, the cease-fire permitted Masud to send his *mujahidin* to help freedom fighters being attacked by the Soviets in areas outside the Panjsher. Most importantly, the Soviets had launched six major offensives in the Panjsher, and Masud welcomed the opportunity to recruit, rearm, and refurbish.

Generally, the Afghan countryside has been reduced to three recognizable combat zones. In Zone I the Soviets have virtually obliterated all the villages on both sides of the main roads to the first or second lines of hills. These are free-fire zones, and anything that moves is a fair target for Soviet guns.

Zone II extends for about a day's walk into the hills in either direction and is *mujahidin* territory, in which most villages have been "rubbleized" by Soviet bombing raids. The *mujahidin* have dug in deeply, often

tunneling small villages into the hillsides and using the thousands of caves that honeycomb the Afghan landscape as storage points. Static home forces protect areas of residence, and mobile strike forces harass the enemy with hit-and-run attacks on convoys, military outposts and airfields, administrative compounds, electricity lines and power installations.¹¹ Zone II has been the object of most Soviet search-and-destroy missions.

Zone III consists of the areas deeper in the mountains (or deserts), more than one day's walk away from Zone II, depending on the terrain. The almost exclusively male Zone II serves as a buffer between Zones I and III. Some farmers and their families have remained behind in Zone III to farm. Others with homes and farms near the Afghan-Pakistan border return seasonally from refugee camps in Pakistan to plant wheat and other crops, and then return to Pakistan. Only a few remain behind to tend the crops.¹² These semiannual border-crossings constitute a virtual culturally enforced, involuntary federation between Pakistani and Afghan Pushtun and Baluch. The Soviets try, usually unsuccessfully, to destroy ripened crops in the fields or freshly reaped grains on the threshing floor, using fire bombs of various types.

11. See (among others): Anthony Arnold, *Afghanistan: The Soviet Invasion In Perspective* (Stanford: Hoover Institution Press, 1981); Pierre Allan and Albert A. Stahel, "Tribal Guerrilla Warfare Against a Colonial Power," *The Journal of Conflict Resolution*, December 1983; Hélène d'Encausse Carrère, "Epilogue," in *Decline of an Empire* (New York: Harper Colophon Books, 1981), pp. 277-284; G. Chaliand, *Rapport sur la Résistance Afghane* (Paris: Berger-Levrault, 1981); Joseph Collins, "Soviet Military Performance, A Preliminary Assessment," *Comparative Strategy*, 4:2 (1983), pp. 147-168; L. Dupree, "Militant Islam and Traditional Warfare in Islamic South Asia," *American Universities Field Staff Reports, Asia Series*, No. 21 (Hanover, N.H., 1980); L. Dupree, "Arm the Afghan Freedom Fighters," *Christian Science Monitor*, April 6, 1981; B. Expedit, "La crise Afghane," *Stratégique*, 1981, pp. 7-43; Zalmay Khalidzad, "Soviet-occupied Afghanistan," *Problems of Communism*, 29 (November-December 1980), pp. 23-40; Olivier Roy, "Afghanistan, la guerre des paysans," *Les révoltes logiques*, 13 (Winter 1980-81), pp. 50-63; O. Roy, "L'armée soviétique en Afghanistan: le militaire et la politique," *Revue Passé-Présent* 1 (1982), pp. 179-192; Jere Van Dyk, *In Afghanistan: An American Odyssey* (New York: Coward-McCann, 1983); *Afghanistan: Four Years of Occupation*, Special Report No. 18, U.S. Department of State, Bureau of Public Affairs, Washington, D.C., December 1983; *Afghan Information Centre Monthly Bulletin*, No. 32-33 (P.O. Box 228, Peshawar, Pakistan), November-December 1983; *Afghan Realities* (Peshawar Edition), Afghan Information and Documentation Centre (P.O. Box 324, Peshawar, Pakistan), December 1-15, 1983.

12. Professor Azam Gul, formerly of the Faculty of Agriculture, Kabul University, led a team of ten Afghan refugee researchers (all professionals) who interviewed Afghan refugee farmers about the state of agriculture in Afghanistan. Their research, finished in March 1983, indicates a drop in wheat production of 20.4% from the 1978 level; corn down 23%; rice, 26%; barley, 26%; cotton, 12%. Also, 52% of the agricultural labor was external or internal refugees. Prices of foodstuffs went up 145% from 1978 to 1982.

Another interesting migratory pattern has resulted from the Soviet invasion. In the late nineteenth century, Amir Abdur Rahman (1880–1901) forcibly sent thousands of Pushtun from southern and eastern Afghanistan to the north, mostly along the frontiers with Czarist Russia. Other groups followed voluntarily. These Pushtun became the “Guardians of the Marches” against Russian aggression, *and* a loyal Pushtun force for Abdur Rahman as they lived among—and seized lands from—the non-Pushtun peoples of the north: Turkoman, Uzbek, Tajik, Hazara, and others.

After the Soviet invasion, however, large numbers of the descendents of the transplanted Pushtun took their families to safe haven in Pakistan, and then returned to their places of origin to fight with their tribal cousins. Apparently, these retransplanted Pushtun plan to remain in their original homelands no matter what the future holds. This reshifting of ethnic populations will make it easier to establish a federated Islamic Republic of Afghanistan based on regional autonomy—when and if the Soviets leave Afghanistan.

In early February 1983, the Soviet media began to report the Afghan War in some detail, emphasizing the atrocities of the *basmachi* (bandits, a term used to describe Central Asian anti-Communist freedom fighters in the 1920s), the bravery of Soviet troops, and the overall assistance being rendered to a fellow socialist state threatened by external interventionists and internal counterrevolutionaries.

POWs and Deserters

An interesting sidelight of the First Russo-Afghan War (1799–?) has been the treatment of prisoners of war. Initially, both sides extracted the maximum amount of information from prisoners (before execution) using various methods, few of which would meet the guidelines of the Geneva Convention.

An agreement on the status of the prisoners was reached between the *mujahidin* leadership in Peshawar, the DRA, the USSR, Pakistan, and Switzerland. The International Committee of the Red Cross (ICRC) brokered the deal. Initially, eight Soviet POWs would be interned in Switzerland for a period of two years or until the war ended, whichever came first.

The Soviet POWs were transferred to Switzerland, but the DRA then denied permission for the ICRC team to remain in Kabul to continue its investigations of DRA treatment of prisoners, and refused to release any *mujahidin* prisoners as stipulated in the agreement. Since then, one Soviet prisoner in Switzerland has escaped to West Germany and applied for political asylum. His case is still pending.

Also, because of the earlier DRA perfidy, the *mujahidin* hold over 100 Soviet soldiers as prisoners, refusing to release them. However, the prisoners include a sizable number of deserters. Two Soviet deserters arrived in the U.S. in early December, sponsored by Freedom House. Several international issues arise out of the Soviet POW situation. How will the Soviet Union react to its citizens being transported through Pakistan to Western Europe and the U.S.? Will they demand extradition? And what will happen after two years *if* the Soviet internees in Switzerland refuse to return home?

Meanwhile, Back at the DRA Ranch in Kabul

The countryside is dominated by the *mujahidin*, while the cities and main roads are not safe, even during daylight hours. Soviet advisers run the central government ministries. Soviet occupying armed forces number approximately 115,000, including a newly arrived (December) 10,000-man contingent of Soviet airborne commandos. The conscript Afghan army fluctuates between 20,000 and 30,000, and large-scale desertions occur almost daily. The two main factions of the Peoples Democratic Party of Afghanistan, *Parcham* and *Khalq*, and factions within each, continue to fight for power. KHAD (Afghan KGB), a force of 15,000–20,000, plus thousands of informants, uses terror as a tactic to keep the surviving intelligentsia and other opposition forces in check.¹³

The DRA leadership continues to pose as "born again" Muslims, while cooperating in the "Sovietization" of Afghanistan.¹⁴ The "Sovietization" process included the dispatch of 10,000–20,000 students to the Soviet Union and Eastern Europe, and about 20,000 Afghan Young Pioneers have visited their counterparts in the USSR for short periods since 1980. Many Afghan students have returned embittered by their Soviet experience, some having been humiliated in public because Russians sometimes blame Afghans for the war—and the casualties.

The Soviets are also engaged in a major effort in "revisionist" history, and publish pamphlets in Dari, Pashto, Turkic, and other languages that

13. Edward Giradet, *Christian Science Monitor*, September 29, 1983, who also states that most KHAD agents receive 3–6 months training in the USSR or East Germany. As an example of terrorizing the intelligentsia, Professor Hasan Kakar, a British and American educated scholar, was arrested in April 1982 for trying to organize a committee in Kabul University to protest Soviet influence and violations of human rights. Unrepentant and defiant, he was sentenced to eight years in prison on July 5, 1983.

14. A. Rasul Amin, "A General Reflection on the Stealthy Sovietization of Afghanistan," *Central Asian Survey*, in press; Nake M. Kamrany, *The Six Stages in the Sovietization of Afghanistan* (Boulder: Economic Institute for Research and Education, 1983).

extol the joys of Soviet Communism, the importance of Islam in Soviet Central Asia, and the "positive" role Czarist Russia played in keeping the British out of Afghanistan!¹⁵

The fourth year of the First Russo-Afghan War has ended, and the Afghans have been fighting the Soviets for longer than the Soviets were in World War II, an indication that the Afghans can be destroyed, but not conquered. And for the first time in many years, Afghan males can achieve the ideal personality type in Afghan society: the warrior-poet.

What happens now depends, in a large degree, on what happens outside Afghanistan. Will the Geneva talks stretch out to Geneva IV, V, VI, etc.? Will the supporters of the Afghan *mujahidin* (Western Europe, the U.S., Japan, and the Islamic world) up the ante of weapons in quantity and quality so that the freedom fighters can turn the standoff into a war of attrition that may, at least, encourage a political settlement?¹⁶

Orwell's 1984 may be crucial for the fate of all South Asia and ultimately the Middle East, since both are linked with the fate of Afghanistan. Possibly, by the year A.D. 2000, one of two scenarios will have been played out: either the Soviets will be back behind the Amu Darya, or they will be the dominant political and economic force in the regions to the south.

15. Amin, "A General Reflection."

16. Annually, the United Nations General Assembly votes to demand that the Soviet Union withdraw its troops from Afghanistan. The votes indicate a gradual tilt against the position of the USSR:

	1/80	11/80	11/81	11/82	11/83
For Soviet withdrawal	104	111	116	114	116
Against	18	22	23	21	20
Abstentions	18	12	12	13	17

BANGLADESH IN 1983

A Turning Point for the Military

Md. Ataur Rahman

Bangladesh politics showed extreme volatility in 1983. The military regime of General Ershad, which took power about two years ago, faced stiff opposition from a large number of political parties and factional groups, students, urban lawyers, and workers. Although the military was in no mood to make concessions to the political parties demanding state power, it felt the necessity to acquire a civilian veneer—to legitimize and sustain its rule. The form and content of civilianization became the major issues of a political “dialogue” between the military and opposition political parties on the eve of 1984. Bangladesh also underwent a painful process of adjustment in its economy in 1983 because of the reduced availability of foreign aid and the international depression. The military government’s bold denationalization measures and new industrial policy offering opportunities and incentives for private investment earned appreciation at home and abroad. In international affairs Bangladesh continued to play an important role, and asserted a more pro-Western and Islamic foreign policy line in 1983.

The Opposition

The year began with student agitation in the universities. The students of Dhaka University first started protesting the government’s proposed Education Policy that, among other things, introduced English and Arabic as compulsory subjects at the primary and secondary levels. Although the government’s Education Policy was overdue and was intended to reverse the progressive deterioration in the standard, content, and purpose of education, the student movement against it was more symbolic, and was actually aimed at the military rule.

Because political activities were banned under martial law, the political

Md. Ataur Rahman is Associate Professor of Political Science and Director, Center for Policy Research, University of Dhaka, Dhaka, Bangladesh.

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parties found the university campus suitable for their operation since it enjoyed relative freedom from the strict enforcement of the martial law regulations. The government's aim, on the other hand, was to keep the student agitations confined to the campus. Fueled by the political parties, the student movement gained momentum and the students were encouraged to break out of their campus base. February 14 seemed to have provided a long-awaited moment for the political parties when several thousand students marched towards the government secretariat, the seat of the national administration, ostensibly to vent their grievances. This led to a series of violent student-police clashes on February 14 and 15. At least five people were killed, and hundreds of students and police wounded. A curfew had to be imposed to keep the situation under control. The government closed down the universities, arrested a number of political leaders and students, and took a series of measures to keep the student movement at a low profile. The traumatic events of mid-February led to some visible changes in military decision making, reflected in the subsequent cabinet reshuffle and changes in military command positions in which two important generals who were generally known as hard-liners were eased out of their sensitive positions. The government allowed indoor activities by the political parties. And General Ershad made a friendly gesture to the parties by inviting some of their leaders to engage in a "dialogue" with him on constitutional issues, student problems, and political activities.

Factionalism, the dominant aspect of Bangladesh's political life, increased to an unprecedented degree in 1983 and affected almost all political parties. The Awami League, which has always been reckoned as a force in Bangladesh politics, was divided into two factions—one headed by Sheikh Hasina, the daughter of former President Sheikh Mujibur Rahman, and the other led by Abdur Razzaq, who was the General-Secretary of the United Awami League. The division in the Awami League was precipitated by a long-drawn-out crisis of leadership and sharp differences over the program and approach to politics. While Sheikh Hasina's faction supported the principle of parliamentary democracy, the Razzaq faction wanted to restore the one-party BAKSAL system to achieve socialism, which the late Sheikh Mujib had unleashed in his fateful "Second Revolution" in 1975. The Bangladesh Nationalist Party, a creation of the late President Ziaur Rahman which had remained in power until the military take-over of March 24, 1982, was also weakened by a splinter group led by Shamsul Huda Choudhury and Dr. M. A. Matin, cabinet ministers in the successive regimes of Ziaur Rahman and Abdus Sattar. The Jatiyo Samajtantric Dal—a party formed in 1972 by the militant section of the Awami League student front as the

major opposition party (its slogan is "scientific socialism, Marxism and revolution")—was also split into several factions in a serious leadership crisis. Factional conflicts also affected rightist and Islamic parties including the Jamati-Islam and the Muslim League. The weaknesses of political parties in Bangladesh were manifested not only in their intense factionalism but also in their individual susceptibility to the government's "carrot-and-stick" policy and their tenuous links with the grass roots. The mushroom growth of political parties was also reflected in their numbers, about 72, few of which have an organized following in the countryside. It was significant, however, that in 1983 the overwhelming majority of political parties, despite their different orientations, backgrounds, and ideologies, were united against the government. Three major alliance systems involving 32 political parties pursued an almost identical program demanding the withdrawal of martial law and the restoration of democratic rule.

The two major alliances in the limelight of political movements against the regime were the 15-party alliance led by the Awami League and the seven-party alliance led by the Bangladesh Nationalist Party (Sattar). The constant theme of their agitational politics was the five-point charter of demands that included: immediate withdrawal of martial law, restoration of fundamental rights, parliamentary elections preceding any other election, release of political prisoners, and the trial of persons responsible for the mid-February student killings.

To press for the realization of their demands, the two alliances observed September 30 as "demand day" and threatened the government with a general strike (hartal) throughout the country on November 1 if their demands were not met by that date. The government, however, was in no mood to concede to these demands, and General Ershad continued to reiterate his government's commitment to hold elections in phases starting from local bodies and ending with the parliament. On November 1, at the call of almost all opposition political parties, a general strike was observed as a mark of protest against the government. Civic life all over the country's cities and towns came to a virtual standstill. Except for some minor incidents of violence, the strike was observed spontaneously and peacefully. The law enforcement agencies also showed the utmost restraint. General Ershad seemed to have realized the need for political participation, and on November 14 withdrew the ban on open political activities and announced dates for the presidential and parliamentary elections.

Evidently this did not satisfy the opposition political parties who were demanding the withdrawal of martial law and the holding of parliamentary elections before a presidential election. To press their demands with

renewed vigor and strength following the success of the November 1 strike, the two major alliances organized a sit-in strike in front of the government secretariat on November 28, a week before the beginning of the Islamic Foreign Ministers Conference. The opposition parties saw this as an opportune moment to extract as many political concessions as possible from the government. The massive sit-in strike before an important international conference constituted a direct challenge to the government, which took a hard line. Violent clashes occurred between the striking mob and the law enforcement agencies, causing an undisclosed number of deaths and hundreds of people and police wounded. Some prominent political leaders, including Begum Khaleda Zia, the widow of late President Ziaur Rahman, who came to center stage of the political movement, and Sheikh Hasina, the Awami League President, were taken into custody. The government used curfew as an effective weapon to curb the movement, and the martial law regulations that had been relaxed for open political activities were tightened again.

The post-November 28 political developments significantly affected the government as well as the opposition parties. The successful holding of the Islamic Foreign Ministers Conference and the dissipation of the opposition movement made General Ershad more confident, and he assumed the office of president through an amendment to the Martial Law Proclamation of 1982 while retaining his position as Chief Martial Law Administrator. Immediately after becoming president, General Ershad felt the necessity for the participation of political parties in the civilianization process, and proposed a "dialogue" to resolve the constitutional and political issues. He intensified his efforts through informal contacts with political parties to iron out the differences in order to take the year-old agitation to the negotiating table. While the military seemed to recognize the "carrot" aspect of the dialogue more prominently, the moderate political parties belonging to the right and center saw this as the only alternative to agitational politics and street violence.

Dilemmas to Civilianization of Military Rule

Although General Ershad initiated a number of steps to civilianize his regime in 1983, he faced several dilemmas that seemed to have complicated these efforts. The most crucial dilemma arose from the role and participation of the military in the national decision-making process. On November 28, 1981, four months before taking power, General Ershad, as the Chief of Army Staff, had declared that the only way to ensure stability and democracy in Bangladesh was to "give a proper role to the military in our society" through constitutional means. His declaration

was clearly a call for the formalization of the role expansion of the military in Bangladesh, paralleling Indonesian, Nigerian, or Thai experiences. General Ershad, however, had not yet been able to come up with a formula for the kind of constitutional order he envisaged to integrate the role of the armed forces.

Most of the political parties, on the other hand, responded negatively to the concept. Although they did not take a definite position on this issue publicly, they seemed to have maintained that the army has one specific role to play—to defend the country. It is believed that in his dialogue with a cross section of political leaders and parties in mid-1983, General Ershad got the impression that only a few of them would be reconciled to the idea of a constitutionally guaranteed role for the military. The majority of political parties argued that this sensitive issue should be resolved by a duly elected parliament. General Ershad, therefore, seemed to have strategically shifted his approach to this issue at least for the short run. Whatever role the armed forces might have in the future constitutional framework, he moved to expand its present role by appointing a good number of military and ex-military officers to various branches of the administration, the majority of state-run corporations, and important diplomatic positions. The opposition parties complained that such an expanded role for the military would adversely affect the democratic process and stifle initiatives and talents in other sectors of the society. The “intrusion of the military in the higher echelons of the government” was viewed by the bureaucracy as a threat to their basic aspirations and as a move to destroy the remnants of civilian institutions in Bangladesh. The military, however, strongly believed that the country and the people needed a break from the regressive bureaucrats, “self-seeking” and rapacious politicians, and factional parties with empty slogans.

The mutual distrust generated between the politicians and the military has made it difficult for both groups to hold a meaningful dialogue to forge a national consensus on vital issues. This mutual distrust was based on historical experiences, the absence of basic rules of the game, and numerous breaches of promise. The Awami League, which ruled Bangladesh for three and a half years after the liberation of the country, divided the military into freedom fighters and non-freedom fighters, and created bad blood between them. It also created the Rakhi Bahini—a paramilitary force. The military also complained that it suffered indifference and neglect under civilian governments. The politicians, on the other hand, seemed to believe that the seeds of present disruptions and confusions in the political forces of the country were sown and nurtured by the covert hands of the military, which has remained in power in one form or another since 1975.

The controversy over the timing of the presidential and parliamentary elections was another hurdle in the process of civilianization. While General Ershad insisted that a presidential election be held first, the opposition political parties almost unanimously voiced their demand for parliamentary elections before a presidential poll. The political parties were apprehensive that if the presidential election was held first, General Ershad would gain maximum advantage from the incumbency while the opposition would find it very difficult to agree on a common candidate. A number of opposition parties, particularly the Awami League and its allies who preferred a parliamentary form of government, argued that once they participated in the presidential election on the basis of the suspended constitution, they would be left with no choice than to accept a presidential system of government. On the other hand, if the parliamentary elections were held first, the elected parliament could resolve the constitutional controversies, including the issues of the military's participation in national politics and the system of government the country should adopt. The government, on the contrary, maintained that a consensus on the presidential system of government already existed because the political parties had in fact first contested the presidential election in 1978 under the suspended constitution.

The civilianization process initiated by the government was also complicated by its concern over the various reform measures taken in 1982. The government gave top priority to making its denationalization measures a success and firmly establishing its decentralization schemes so that these measures could not be frustrated by future civilian governments. The upgrading of 397 thanas (districts) into "Upa-Zillas" as basic units of administrative, economic, and judicial functions was a commendable task performed by the government in 1983. Although the idea of devolution was not new in Bangladesh and in some form it had been tried by successive regimes, General Ershad gave it a more comprehensive scope. The "Upa-Zillas" were not only intended to act as basic units of administration and as growth centers, but to serve as a cornerstone of General Ershad's efforts to build a support base for his government and to undercut the overwhelmingly urban political parties. General Ershad's electoral strategy for the coming presidential elections appeared to be based on the new "Upa-Zilla" structure. Following the example of late President Ziaur Rahman, who had traveled extensively throughout the Bangladesh countryside, General Ershad frequently took helicopter rides to supervise the work of "Upa-Zillas" to mobilize support. The government also distributed a fund amounting to Taka 1.66 billion under which each "Upa-Zilla" received Taka 5 million for initial construction and development work. The government received enthusiastic support

from the Bangladesh Aid Group countries to fund the "Upa-Zilla" scheme. Most observers believed that if "Upa-Zilla" elections took place on schedule in March 1984, the outcome would favor General Ershad. It was also noticeable that in the Union Council elections held at the end of December, neither the opposition nor the government-sponsored parties put up or supported candidates. The opposition parties suspected that once General Ershad publicly aligned himself with the newly created Janadal political party, these elected nonpartisan Union Council members and chairmen would gravitate toward the "government party," thus creating a basic structure for the regime's "new democracy."

The Economy

The Bangladesh economy entered its third year of the Second Five Year Plan in 1983 with a depressing performance in an environment of declining world trade and decreased aid. At the beginning of the year, the government set up a high-level committee for the rationalization of the economic program in view of continuing resource shortfall, both domestic and external. The Annual Development Programme was reduced to Taka 27 billion. There has been a marginal growth in the economy, the GDP increasing by only 3.8% as against the target of 6.4% and 1982 growth of 0.9%. Agriculture suffered a serious setback because of unfavorable weather in the first part of the year, and price levels came under severe pressure. The government had to intervene through open market operations and a Food for Works Programme to stabilize food prices. The agricultural outlook changed in the second half of the year, with the government's irrigation system playing an important role. Indeed, there was a record harvest in 1983, and production of food grain increased to 15.1 million tons compared to 14.3 million tons in 1982. The growth in agriculture increased 4.73%, and food grain imports totaled 1.88 million tons.

The industrial sector suffered most in 1983; its growth declined to 0.4% from 2.9% in 1982 and 8.8% in 1981. The government attributed this declining industrial production to the continued depression in world trade and reduced domestic demand resulting from upward adjustments in the prices of public goods and utilities. Although the government took a number of measures in 1983 to boost exports, export earnings remained far below the projected level and amounted to \$680 million as compared to \$626 million in 1982. The modest increase in export earnings of about 5% over the preceding year was partly due to recovery in the prices of jute goods, tea, frozen foods, etc. The total value of merchandise imports declined to \$2325 million in 1983 against the actual imports of \$2572 million in 1982. The import of raw materials,

investment goods, and other consumer goods declined sharply indicating a depressed domestic demand.

An improvement in the policy environment for private investment was a positive factor for Bangladesh in 1983. In the industrial sector, the new industrial policy announced in June 1983 provided greater opportunities with significant added incentives. The process of denationalization provided for immediate increased participation of the private sector in the economy. Of 25,144 jute looms in 69 jute mills, 7287 looms constituting about 28% of the total output were transferred to the private sector. Similarly, in cotton textiles, about 32% of the spindles and 43% of the looms in 53 textile mills were transferred to the private sector. Bank credits absorbed by the private sector increased to Taka 30.09 billion as compared to Taka 18.39 billion in the public sector.

Although one of the government's main objectives was price stability through augmentation of supplies of basic needs and efficient management of the monetary sector, the cost of living increased substantially in 1983, with an annual inflation rate of 13.9% compared to 7.5% in the preceding year. Food prices rose by 12.6%, fuel and lighting by 24.8%, housing and household requisites by 10.6%, and clothing and footwear by 12.1%. The government identified three major factors responsible for the inflationary pressure: the failure of two main crops in the beginning of the year; adjustments in prices due to reduced production subsidies in public sector goods and utilities; and monetary expansion, particularly in bank credits to the private sector. The adjustment process in the economy due to reduced availability of foreign aid accentuated further the unemployment problem, particularly in rural areas. The annual report of the central bank (Bangladesh Bank) also showed its concern for the country's "difficult employment situation" and noted that "the rural unemployment problem in particular is serious and complex." The agricultural real wage index also declined by 6.8% from the previous year. Although disbursement of aid in 1983 showed a marginal increase from \$1236 million in 1982 to \$1345 million in 1983, severe adjustment measures necessitated increased aid flow on favorable terms and unrestricted growth of trade with the industrial market economies. In order to mobilize increased domestic savings, the government adopted strong tax and new fiscal measures, and streamlined public enterprises. Gross investment increased in 1983 by 11.4%, and as a percentage of GDP rose to 16.8% from 15.5% in 1982.

During the year under review, Bangladesh's balance of payments situation continued to remain under strain because of a reduced inflow of aid. But the depressed domestic demand and the increased flow of remittances from workers abroad (\$615 million in 1983 as compared to

\$381 million in 1982), made management of balance of payments easier. The foreign exchange reserve position in 1983 was significantly improved and stood at \$471 million as of November 30.

Foreign Policy

Bangladesh's foreign policy in 1983 reflected the high priority on forging closer ties with Western countries and the Islamic world. Although successive governments in Bangladesh since 1975 have directed their efforts to strengthening relations with the West, and particularly the United States, the present government seemed to have taken an active stance. Bangladesh's role in the United Nations and the Non-Aligned Movement, and its firm stand on the withdrawal of Soviet forces from Afghanistan were generally appreciated by Western countries. The bold denationalization measures and new industrial policy adopted to foster a free economy and to attract private foreign investment further consolidated Bangladesh's relations with the Western world. General Ershad's three-day official visit to the United States in October and his "very successful" talks with President Reagan at the White House resulted in complete "identity of interest" between the two countries. The visit symbolized U.S. support for the regime's development policies and initiatives to evolve a democratic process in Bangladesh. Bangladesh and the U.S. also signed an agreement to provide Bangladesh \$65 million under PL-480 for the purchase of edible oil and food grains from the U.S.

Bangladesh continued to consolidate its fraternal relations with the countries of the Islamic world. Bangladesh's efforts to project its Islamic identity were reflected in the hosting of the fourteenth Islamic Foreign Ministers Conference in Dhaka on December 6-10. Representatives from 41 of the 44 Islamic countries attended the conference. This was the first international conference of such stature in Bangladesh, and it bolstered the regime's legitimacy with the predominant Islamic forces.

At the regional level, Bangladesh continued to pursue its policy of good neighborliness with India, Sri Lanka, Pakistan, and Burma. Relations with India, which seemed to have improved in 1982 following the summit between General Ershad and Prime Minister Indira Gandhi, became strained once again in 1983 because of seemingly intractable differences between the countries over a number of issues. In spite of the sincere efforts by Bangladesh to resolve these outstanding issues, no headway was made during the year. While the deadlock on the issue of sharing Ganges water continued, new elements of conflict seemed to be creeping in, disturbing the ties between the two neighbors. India's construction of seven watchtowers and barbed wire fencing along its

Bangladesh border to check what New Delhi called the "infiltration" of Bangladesh nationals was another irritant that embarrassed the relationship.

The overall success of Bangladesh's foreign policy was also reflected in its chairmanship of the Group of 77 in 1982-83. The November 4 agreement to set up a joint economic commission between China and Bangladesh signified yet another step towards consolidation of Bangladesh's friendly relations with China.

Bangladesh's relations with the Soviet Union suffered badly in 1983 following the Bangladesh government's decision to expel 14 Soviet diplomats accused of involvement in "prejudicial activities" in Bangladesh. In addition, the government also closed the sprawling Soviet Cultural Center in Dhaka and the Soviet Consulate General's office in Chittagong. The government's decision seemed to have been precipitated by the fact that it had repeatedly requested the Soviet government to reduce its oversized embassy, the largest in the country with 40 diplomatic and 100 nondiplomatic staff, some of whom were involved in espionage in Bangladesh. In dealing with this sensitive issue that affected diplomatic relations between the two countries, the Bangladesh government has shown firmness as well as considerable diplomatic maturity.

SRI LANKA IN 1983

Ethnic Conflict and the Search for Solutions

S. W. R. de A. Samarasinghe

In the last quarter of 1982, the J. R. Jayewardene government held two national polls, one in October to elect a president, and the other in December, a referendum to extend the life of Parliament by six years. In winning both, the government secured a mandate for its liberal export-oriented economic program. Thus, it must have felt politically secure to "forget" politics for another six years and get on with the job of developing the economy based on its 1977 program. However, events proved otherwise. Despite two budgets (February and November) and a host of pressing economic problems, the year 1983, and especially its second half, was dominated by political events principally connected with the Sinhala-Tamil ethnic conflict.¹

The Ethnic Issue

Sri Lanka's ethnic conflict mainly revolves around the extent to which political power and economic resources should be shared by the Sinhalese and Tamils. Before independence in 1948, the Tamils demanded parity in legislative representation. Between 1948 and 1976 the demand was for a federal state. Since 1976 the demand has been for a separate state (Tamil *Eelam*). Thus, the trend has been for the Sinhalese and Tamils to increasingly drift apart politically. However, in the short run, Sinhala-Tamil political relations have gone through several cycles of

S. W. R. de A. Samarasinghe is Lecturer in Economics at the University of Peradeniya, Peradeniya, Sri Lanka, and Associate Director of the International Centre for Ethnic Studies.

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1. The Sri Lankan population of 15.2 million (1982) consists of 74.0% Sinhalese, 12.6% Sri Lankan Tamils, 5.6% "Indian" Tamils, 7.1% Moors, and 0.7% others. The current ethnic conflict is mainly between the Sinhalese and the Sri Lankan Tamils, although the Indian Tamils have been increasingly drawn into it.

cooperation and noncooperation punctuated by periodic outbreaks of racial violence.

Following the racial violence of 1981, a series of informal consultations were held between the government and the main Tamil political party, the Tamil United Liberation Front (TULF). The TULF also participated in the June 1981 District Development Council (DDC) elections. But this dialogue broke down by late 1982. The government had its own explanations for the breakdown—the antigovernment stand of the TULF in the December 1982 referendum and the continuation of terrorist activities by the so-called *Eelam* Tigers in the North. Certain actions of the TULF that smacked of implicit support for the terrorists—e.g., nomination by the TULF of a convicted terrorist, Selvarajah Yogachandran (alias Kuttimani) to a seat in Parliament—was another factor. Similarly, the TULF also had its own explanations for the breakdown of the dialogue—the failure of the government to implement effectively the constitutional provisions for the use of the Tamil language in administration and the inadequacy of funds and powers given to the DDCs. The TULF also opposed the detention of terrorist suspects under the *Prevention of Terrorism Act* and complained of the periodic violence perpetrated on the civilian community of the North by sections of the armed forces who, in frustration at its inability to combat terrorism, went on a rampage on a number of occasions—e.g., Jaffna in May and Vavuniya in June—following terrorist attacks on the armed forces that resulted in the death of soldiers. The government took strong disciplinary action against those responsible; but the recurrence of acts of indiscipline in the security forces angered the TULF. The latter was also politically frustrated by the fact that the government ignored its demand to hold by-elections in four constituencies in the Eastern Province held by government party MPs who had voted against the government in the December 1982 referendum.

Against the political background described above, all the evidence before July 23 pointed to a deterioration in the security situation in the North and mounting ethnic tension between the Sinhalese and Tamils. For the whole of 1982, there had been five recorded incidents of terrorist attacks on security posts and personnel, resulting in a total of five deaths of security force members. In the first six months of 1983, there were five attacks on security posts and personnel resulting in four deaths. In addition, the terrorists killed three Tamil United National Party (UNP) politicians of the North. Moreover, in June and early July there was a spate of attacks on and thefts of government and private property.

An unmistakable sign of the growing ethnic tension, and especially of the feelings of some sections of the Sinhalese community, was the

eruption of ethnic violence in May at the University of Peradeniya, which, in the past, had a record of maintaining ethnic harmony even when ethnic violence engulfed the rest of the country. In June racial violence broke out in Trincomalee but was brought under control. However, terrorist violence in the North escalated in July. On July 23 a terrorist group ambushed an army patrol and killed thirteen Sinhalese soldiers; this was the immediate issue that sparked off ethnic mob violence lasting one full week beginning Sunday, July 24. The violence erupted first in Colombo and later spread to the suburbs and the provinces.

A number of observations can be made about the events of that fateful week. With a few exceptions, the victims were all Tamils. The mobs consisted largely of Sinhalese with a sprinkling of Muslims. It was also observed that although the conflict was overwhelmingly racial, an element of class conflict (haves vs. have-nots) was also present.

The country was already under a state of "Emergency"—Sri Lanka has been under continuous Emergency rule since May 18, 1983—when the violence erupted. The government declared a curfew and mobilized the security forces. However, its handling of the immediate situation was not blameless. For example, despite widespread violence on the evening of the 24th, the government failed to declare a curfew on the morning of the 25th when mob violence took a heavy toll in Colombo. The government acted cautiously, and perhaps too slowly, because it was probably uncertain of the reaction of the security forces who had been the principal victims of Tamil terrorist violence.

One of the most disconcerting aspects of the July events was the failure of the security forces, and particularly the Army, to enforce the curfew in some areas on the first few days of that week and generally prevent mob violence. Indeed, the evidence is that some members of the security forces either turned a blind eye to mob violence or, in certain instances, even directly helped the mob. This situation not only reflected a temporary breakdown in the usual chain of governmental command, but more fundamentally a serious blow to the principle that all citizens in a civilized democratic society are entitled to equal protection and security under the law. The government, in its more candid moments, has not denied the lapses of the security forces. However, it attributed the violence to organized antigovernment elements and an unnamed "foreign power" that wanted to destabilize the government. Undoubtedly, in addition to the spontaneous mobs, groups that showed some degree of organization were also involved in the violence. But the ideological and political affiliations of these groups, if any, are yet to be established and the government is yet to offer convincing evidence to substantiate its

own allegations. However, the government proscribed the pro-Moscow Communist Party, the Trotskyite Nava Sama Samaja Party (NSSP), and the radical Janatha Vimukthi Peramuna (JVP), which was responsible for the 1971 insurrection. By Monday, August 1, the law-and-order situation was almost back to normal.

The Aftermath and Solutions

The violence resulted in the death of about 470 people, over 8000 cases of arson, and half as many cases of looting.² At the height of the disturbances, about 80,000 people were in official refugee camps. The task of rehabilitating the victims of violence was performed by the government with considerable efficiency. The numbers in the refugee camps dropped steadily after the first week of August, and by the end of the year only about 7,000 remained. Government financial aid was offered to reconstruct damaged property. Also Tamil government employees affected by the incidents were provided with certain relief measures.

The more difficult task for the government was to quickly reestablish its full political authority at home and recover its credibility abroad. With respect to the former, as a concession to its Sinhalese constituency, the government amended the constitution (sixth amendment) in early August and banned the advocacy of separatism. It arrested about 5000 alleged miscreants and is in the process of framing charges against those for whom evidence is available.

Salvaging Sri Lanka's tarnished image abroad was a more difficult proposition. In general the country earned a very adverse press abroad. While it is idle to deny the magnitude of the violence, some sections of the foreign media wildly exaggerated the events and even published fabricated reports, partly instigated by expatriate *Eelam* publicists. The government's effort to present its case was made harder by the canvassing abroad of the Tamil cause by the TULF. Though slow to start, the government eventually embarked on a diplomatic and propaganda counteroffensive abroad that has been fairly successful.

From the government's viewpoint, diplomatically, the aspect that was hardest to handle was the role of India. On the one hand, the TULF was heavily backed by Tamil Nadu state in India. Thus, probably under Tamil Nadu pressure, in mid-July Delhi expressed concern through diplomatic channels over some aspects of security operations in the North. Colombo resented Delhi's action, and the Sri Lankan press accused the latter of

2. T. D. S. A. Dissanayake, *The Agony of Sri Lanka* (Colombo: Swastika (Private) Ltd., 1983).

interfering in Sri Lanka's internal affairs. Nevertheless, Prime Minister Indira Gandhi of India was a definite moderating influence on the more strident Tamil Nadu politicians. Mrs. Gandhi's concern over the ethnic issue in Sri Lanka went beyond the parochial considerations of Tamil Nadu politics. First, she expressed concern at a possible influx of refugees from Sri Lanka to India, though in fact not more than a few thousand fled to India in July. Second, she was concerned for the safety of about 175,000 Tamil estate workers who, having qualified for Indian citizenship, were still in Sri Lanka. Third, Mrs. Gandhi believes that political instability in Sri Lanka could lead to "outside" interference or military presence in the country, and is a threat to Indian security. For all these reasons and because the TULF took up the position that it was willing to talk with Colombo only through Delhi, Mrs. Gandhi, while declaring India's policy of noninterference in the affairs of other nations and its belief in the territorial integrity of Sri Lanka, offered India's "good offices" to bring about a settlement.

During the last week of July itself, Mrs. Gandhi sent Foreign Minister Narasimha Rao to visit Sri Lanka. Thereafter negotiations were conducted by her personal emissary, Gopalaswamy Parthasarthy. This process culminated in the "all-party" talks held in Colombo on December 21 where it was decided to invite the TULF without any preconditions for similar talks scheduled to be held from January 10-20, 1984, to find a solution for the ethnic problem. The principal items on the agenda were to be the question of TULF giving up the demand for *Eelam* in return for some form of regional devolution of power.

The Opposition

Besides the ethnic issue, there were certain other important political developments in 1983 that should be mentioned. The defeats suffered by the principal opposition parties in the parliamentary by-elections and local authority elections held in May as well as the further polarization of the right and left factions of the Sri Lanka Freedom Party (SLFP) that took place during the year reflected the continuing weakness of the opposition. Supported by the party president, Mrs. Sirimavo Bandaranaike, her son Anura Bandaranaike emerged as the leader of the right-wing faction. The left wing is apparently considering forming a new ("third force") radical party. The government, which supported the appointment of Anura Bandaranaike as the leader of the opposition in Parliament in November, stands to gain from the split in the SLFP because it weakens the opposition overall but simultaneously builds up a center or center-right political party as an alternative to the ruling United National Party.

Foreign Policy

In 1983 Sri Lanka's foreign policy displayed "flexible individuality" within the broad framework of nonalignment. In this, one could detect a few key strands. One was the continuing bias towards the West both for ideological and politico-economic reasons. For example, at the nonaligned summit in Delhi in March, Sri Lanka opposed the move to condemn the U.S. on its Indian ocean base in Diego Garcia and helped get the conference declaration amended accordingly. A second strand was the continuing effort to strengthen relations with certain pro-Western capitalist Asian countries such as Malaysia and South Korea. For example, the Malaysian Prime Minister visited Sri Lanka in April and the South Korean President was scheduled to visit the country in October when his journey was canceled because of the bombing incident in Burma.

The third strand, and perhaps the most important one, especially after July, was the emphasis placed on protecting the nation's integrity and good name abroad. Thus, a considerable diplomatic effort was expended to present the government's case on the July incidents and the background that led to them. But the more difficult task was to handle the relationship with India. As demonstrated by the Indian reaction to U.S. Defense Secretary Caspar Weinberger's visit to Sri Lanka in October, India is particularly sensitive to Sri Lanka's relations with the superpowers. Sri Lanka's position in this respect was to assert its right to pursue a foreign policy that accords with its own national interests while recognizing the legitimate interests of India.

The Economy

In general 1983 was the worst year in terms of overall economic performance since the Jayewardene government assumed office in 1977. Before July the forecast was that in 1983 the GNP real growth rate would be 4.6% (1982, 5.1%), but after July this was revised downwards to 4.2%. The July incidents caused dislocation in the wholesale and retail trade, manufacturing industry, and housing sector. Some damage also occurred in the service sectors. In the manufacturing industry, 116 factories with a total work force of about 13,400 were damaged in varying degrees. The replacement cost of the damaged plants, machinery, and equipment was valued at \$70 million, one-sixth of the total foreign aid disbursements in 1982. The tourist industry, which was facing difficulties even before July mainly because of the recession in the West and competition from other tourist destinations in the Asian region, suffered a major setback on account of that month's events. Although tourist arrivals steadily increased after August, the November arrivals

were still only 61% of the total for the same month in 1982. But the main reason for the drop in the GNP growth rate was the decline in production in the major tree crops—tea, rubber, and coconut.

The exchange rate was under constant pressure during the year because of the continuing external payments deficit. Largely guided by IMF advice, the rupee was allowed to depreciate by about 17.0% against the U.S. dollar between the beginning and the end of the year. This in turn helped escalate the annual rate of domestic inflation from about 10% in 1982 to about 20% in 1983. The Central Bank, which eased bank credit conditions in June, imposed a credit squeeze in November to check inflation. The government also made an effort to reduce the budget deficit and borrowing from the banking system. Apart from initiating work on a second Investment Promotion Zone, the government did not embark on any new major projects. The overall bias in economic policy favored stability at the expense of growth. Thus, it is likely that the unemployment situation would have marginally worsened over the year.

Conclusions

The continuing terrorism in the North, the ethnic violence of July, and the relatively poor performance of the economy made 1983 a rather trying year for Sri Lanka. But these difficulties have also made the nation reexamine its goals and priorities for the years ahead. The task before the nation in 1984 is to find a way to combat terrorism, resolve the ethnic issue, and refocus attention on the economy.

NEPAL IN 1983

Another Year of Confusion and Lack of Direction

Kul Shekhar Sharma

Confusion and a lack of direction in different spheres of national activity were the dominant characteristics of developments in Nepal during 1983. The political scene was dominated by a growing rift among the Panchas amidst emerging signs of unworkability of the party-less Panchayat System in its present form. While the disenchantment of the people with the Panchayat System continued to grow rapidly, there were few outward signs of much political activity outside the Panchayat polity. The banned Nepali Congress's continued adherence to the policy of reconciliation initiated by the late B. P. Koirala led its leaders to concentrate on the consolidation of their organization. The banned Communist party remained fragmented in spite of calls of unity from different groups, with as many as nine separate entities operating independently of each other. In the meantime the economy deteriorated further. Implementation of development plans continued to falter with demoralization within the bureaucracy at its highest peak. The economic program of the new government failed to inspire people, since it seemed like yet another promise to improve performance without saying how. Nepal's international relations continued to be stable during the year.

Political Affairs

The year began with a widening and acceleration of the process of division among the Panchas, when it was carried from within the Rastriya Panchayat (National Assembly) to the people at large through press conferences, demonstrations, and public meetings and rallies against the government of Prime Minister Surya Bahadur Thapa. Dissensions among different levels of Panchas were evident also during the zonal level Pancha Conventions organized by the Panchayat Policy and Evaluation

Kul Shekhar Sharma is currently associated with Integrated Development Systems, Kathmandu, Nepal.

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Committee (PPEC), the political wing of the Panchayat System, to discuss the "nation's political, economic, and social problems as well as the political activities, development programs, and the food situation in the zones." While the achievements of these conventions have not become clear, many expressed fears that the activities of the PPEC could portend a resuscitation of the spirit of "Back to the Village National Campaign" (BVNC), abolished in the wake of massive public demonstrations in 1979. The rift among the Panchas was most apparent during the public rally organized by the opponents of Surya Bahadur Thapa in Kathmandu, soon after the Bagmati Zone Pancha Convention. The Kathmandu Town Panchayat boycotted the rally, the Kathmandu District Panchayat actively supported it, while most of the members of Kathmandu District Assembly deplored the action of the District Panchayat.

The most notable and dramatic political event of the year was the dissolution of Prime Minister Thapa's cabinet as a result of the no-confidence vote against him passed in the Rashtriya Panchayat. Notice of a censure motion against him signed by 41 members was given soon after the 34th session of the Rashtriya Panchayat began. The main charges against the Prime Minister were: the basic principles of the Panchayat System—e.g., partylessness—had not been preserved and promoted; corruption was rampant; the food problem had not been solved; and economic indiscipline was at a peak. The motion came up for discussion in the House on July 11, 1983, the day after the budget was presented. Earlier, 22 Ministers, Ministers of State, and Assistant Ministers of a total of 35 hastened to resign soon after the House passed the motion of Thanks on The Royal Address, signifying an endorsement of government policies contained in the address. The grounds for the resignations were "policy differences," "current political situation," and "the large interests of the Nation, the Crown, and the Partyless Panchayat System." The no-confidence motion was passed by an overwhelming majority, with 108 members voting in favor, only 17 against, and 10 members abstaining. Most of the members of the Council of Ministers who had resigned voted in favor of the motion, while some abstained. On July 12, Lokendra Bahadur Chand was appointed Prime Minister on the unanimous recommendation of the Rashtriya Panchayat.

Ostensibly, the no-confidence motion against Surya Bahadur Thapa appears to be an important step in orderly evolution of the Partyless Panchayat System inasmuch as the Rashtriya Panchayat exercised its constitutional right to remove a Prime Minister failing to fulfill his responsibilities. A look below the surface, however, reveals that this may not be entirely so. First, the Rashtriya Panchayat surprisingly approved the motion without any debate. When the motion was moved by

Lokendra Bahadur Chand and seconded by Prakash C. Lohani, Prime Minister Thapa was immediately called upon to reply to the charges against him. Obviously, no debate was considered necessary to enable other members to make up their minds. Second, the ministers who resigned did not explain or elaborate upon their almost identical reasons for doing so either in the House or in the Press, thus keeping most of the Rashtriya Panchayat members and the public in the dark about their actions. Third, even some of the ministers who could not disown responsibility, morally or constitutionally, for some of the misdeeds cited in the motion, also voted in favor of the motion, confounding everyone. Fourth, all of the members nominated to the Rashtriya Panchayat by the King voted for the motion. Furthermore, barely six weeks after Lokendra Bahadur Chand had become Prime Minister, notice of a motion of no-confidence signed by more than 30 members was filed against him as well. The motion was held to be inadmissible by the Chairman of the Rashtriya Panchayat on grounds of errors in drafting. What is intriguing is that the proposers of the motion made no attempt to correct the technical error later. In the meantime the session was prorogued with the possibility of a no-confidence motion still hanging over the head of the new government.

Surya Bahadur Thapa's refusal to relinquish office except through the constitutional process despite demands for his resignation from both inside and outside the Rashtriya Panchayat appears to have enhanced its authority regarding the removal of the Prime Minister. According to the Constitution, the Prime Minister can be removed either through a dismissal by the Crown or through a vote of no-confidence passed by the Rashtriya Panchayat and approved by the Crown. The advocates of the multiparty system considered the whole affair to be nothing more than a tussle for power among different groups of Panchas which undermined the credibility of the Panchayat system. Thapa's supporters blamed what they called "extra-constitutional centres of power" for engineering the vote of no-confidence against him.

While disunity among the Panchas is becoming more pronounced and the fear of "infiltration" into the system from outside is getting stronger among a section of Panchayat leaders, there appear to be unmistakable signs that attempts are being made to run the Panchayat System as a one-party system with the PPEC as its central committee. The first indication of this came when the PPEC appointed a high-level Decentralisation Committee to provide suggestions to the government on the implementation of the Decentralization Act, 1981. The PPEC's monitoring and guidance of the political trends and developments in the country now appear to have been planned to percolate down to the zonal and

district levels with legal provision made recently for the PPEC to appoint zonal and district level subcommittees.

Outside the Panchayat polity, the leaders of the banned Nepali Congress and various groups of the banned Communist Party, as well as senior political leaders like Tanka Prasad Acharya and Dilli Raman Regmi, have continued to reiterate their demand for freedom for political parties. The activities of the Nepali Congress leaders now seem to be centered on revamping and extending their organization in accordance with their policy of reconciliation. Krishna Prasad Bhattarai, acting president of the banned organization, recently gave a new turn to the meaning of the policy of reconciliation when he said that it would include "peaceful but firm resistance" as well.

The Economy

Performance of the economy during 1982-83 was the bleakest in several years, with signs of economic mismanagement apparent in most areas. Budget deficits were the highest ever. The trade gap widened enormously. Foreign exchange reserves fell sharply, and for the first time in several years exports declined substantially even in absolute terms. A negative growth rate of GDP along with a high rate of population growth resulted in a lower standard of living for the vast majority of the people. A mid-term review of the Sixth Five Year Plan (1980-85) revealed a poor performance in most of the crucial sectors of the economy, such as agriculture, irrigation, resource conservation, etc.

The measures taken by the Chand government to shore up the economy appear to be too feeble to produce any impact. The nominal reductions in the price of rice and electricity charges announced by the government soon after it assumed power have only increased the burden on the government's scarce resources without providing tangible relief to the people. Policies contained in the budget presented by the Thapa government, which was charged with gross economic indiscipline and mismanagement, were basically retained. The development budget, considered to be highly inflated, was cut 14% in order to bring it down to a more "realistic level." This cut is not expected to reduce the extent of deficit financing significantly, however, since government revenue and foreign aid is also expected to decrease. A plan to promote exports, including an across-the-board subsidy for exports, contain some positive features, but are not considered sufficient to boost flagging exports. Similarly, the new economic program announced by the government for the next two years does not include anything new but merely emphasizes some of the programs contained in the Sixth Plan. So far remedies for the slow progress in implementing the plan are lacking.

The new government, thus, seems to be following in the footsteps of various governments preceding it in failing to show a willingness to tackle fundamental development issues and in focusing on short-term results and popularity. This tendency may be ascribed to the sense of insecurity felt by successive governments, which is probably inherent in the present partyless system. This was amply borne out by the trends noticeable during the last session of the Rashtriya Panchayat. Under these circumstances, it is doubtful whether there can ever be, under the present system, a government with sufficient political clout or determination to initiate internal structural changes in the economy—e.g., changes in the agrarian structure, or the conclusion of external negotiations on vital matters such as water-sharing, migration, etc.

International Relations

Nepal's international relations were stable during 1983, within the overall framework of the policy of nonalignment, and its stand on major international issues remained consistent. The slight coolness that has crept into Nepal's relations with India may be considered a passing phase that may not affect its basic policy of maintaining close and friendly relations with both its immediate neighbors. Relations with India were marked by an absence of high-level dialogues between the leaders of the two countries, after the visit of the then Prime Minister Surya Bahadur Thapa in February 1983. The main outcome of his visit seems to be, in retrospect, that a dialogue took place between the two prime ministers on various outstanding matters. No further discussions have taken place since between the top leaders of the two countries, not even during the visit of King Birendra to New Delhi for the nonaligned summit meeting in March. Negotiations with India on mutually beneficial irrigation and power projects on the Karnali, Mahakali, and Rapti rivers have failed to make much headway in spite of the good offices of some of the multilateral aid agencies, while unexplained delays have occurred in the implementation of some ongoing India-aided projects such as the Butwal-Kohalpur section of the east-west highway, and the commencement of mutually agreed new projects such as the Udayapur cement factory. A report of the task force on migration, published by the National Commission on Population and recommending regulating the hitherto open borders with India, has probably led to further misunderstanding between the two countries in an environment of poor communication. The state visit to Nepal of the Pakistani president in May and the absence of a corresponding high-level visit from India can be regarded as a further expression of coolness in relations between the two countries.

Relations with China were normal and without any problems, though

in a rather low profile. There were no developments that changed Nepal's relations with the Soviet Union, which have been restrained for some time. The highlight of 1983's relations with the other superpower, the United States, was the state visit of King Birendra to that country in December, completing the royal state visits to the major powers of the world. U.S. support for the proposal to have Nepal accepted as a zone of peace was expressed by President Reagan during the state visit and was acclaimed in Nepal as a triumph for Nepal's foreign policy, as was France's acceptance of this proposal earlier in the year. President Mitterrand had made a two-day visit to Nepal in July, which was the first visit by a head of government of a major western power. Both France and the U.S., while endorsing the zone of peace proposal, have also expressed the need for Nepal to work closely with its neighbors to make the proposal a reality.

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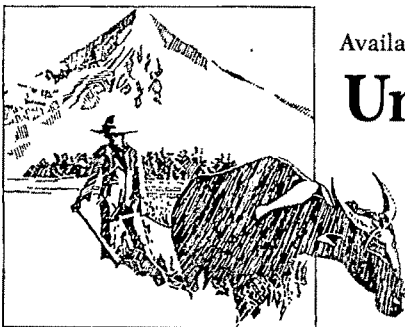
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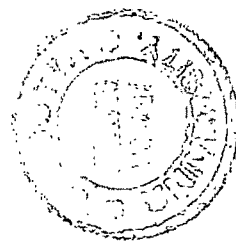
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AFGHAN RESISTANCE

Past, Present, and Future

Tahir Amin

Armchair strategists analyzing the far-reaching implications of Soviet intervention in Afghanistan tend to ignore or under-emphasize one very important reality: The Soviet occupation of Afghanistan is not yet an established fact. The Afghan resistance movement has become a national liberation war, posing a real and formidable challenge to Soviet control over Afghanistan. Six months after the Soviet intervention in December 1979, Brezhnev claimed in the plenary session of the central committee of the Communist Party of the Soviet Union: "Now life in Afghanistan is gradually returning to normal. Large bands of counterrevolutionaries have been routed, and interventionists have suffered a serious defeat."¹ But four years later, the Soviet media continue to report "counterrevolutionary" activities, admitting that "many public institutions in Afghanistan have been destroyed. Industrial enterprises, utility lines and irrigation systems have become targets of sabotage,"² costing Afghan industry alone 2.8 billion Afghanis.³ On April 11, 1983, Kabul Radio carried a broadcast in which Prime Minister Sultan Ali Keshntmand revealed that half of Afghanistan's hospitals and schools have been destroyed and three-quarters of the country's communications have been disrupted by the guerrillas.⁴

Why does the resistance continue unabated? What are the origins of

Tahir Amin is on the faculty of the Department of International Relations, Quaid-i-Azam University, Islamabad, Pakistan, and is currently a doctoral candidate in the Department of Political Science, Massachusetts Institute of Technology, Cambridge, Massachusetts. The author is grateful to Myron Weiner, William E. Griffith, and the participants of a seminar on Afghanistan (held at the Department of Political Science at MIT on May 12, 1983) for their helpful comments on an earlier version of this paper.

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1. *The Current Digest of the Soviet Press* (CDSP), 32:25 (July 30, 1980).
2. "Afghanistan: Political Solution is Possible," CDSP, 34:50 (January 12, 1983).
3. "For more official figures of losses, damage, and fighting from the Soviet point of view, see "Soviet Reports on Fighting in Afghanistan," CDSP, 35:9 (March 30, 1983).
4. *The Economist* (London), April 18-22, 1983, pp. 33-44.

the resistance movement? What are its social bases? What is the movement's ideological orientation? What is the nature of differences among its various groups? What is its strategy? What are its sources of support? What are its achievements and losses? And what are its future prospects? These are some of the questions I shall attempt to answer here. First, however, I shall briefly note the importance of the resistance movement and review the literature that has appeared on the subject so far.

The Afghan resistance movement is of great importance not only for Afghanistan but also for the countries of that region and for the world. The realization of many of the oft-cited implications of the Soviet intervention in Afghanistan, such as possible expansionist policies towards Pakistan, Iran, or the Persian Gulf countries largely depends on the outcome of the present Soviet-Afghan war. This war will also determine the fate of the "social engineering" experiment that the Soviets want to carry out in Afghanistan, and it will be critically important in determining the attitudes and perceptions of the regional governments and the local political forces towards the Soviet Union. The Southwest Asian region is caught up in a kind of "wait and see" situation with all eyes set upon the course of the ongoing Soviet-Afghan war.

Unfortunately, scholars have given very little attention to the analysis of the Afghan resistance, but what literature there is can be divided into four categories.

1. Some observers perceive the resistance as a "traditional revolt" like the Basmachis' movement of the 1920s in Central Asia and argue that the resistance has scarcely any political or social program and no vision of the future. For example, Gerard Chaliand notes that "Afghan resistance has nothing new to show the visiting observer: no new elected village committee, for example no program for the integration of women into the struggle, no new clinics or schools, no newly created stores."⁵
2. Other analysts believe that the resistance is essentially a "counter-revolutionary" and "reactionary" phenomenon triggered by the "progressive reforms" of the Khalqi regime, that its purpose is to restore the status quo ante in Afghanistan, and that the movement is being sustained by the landed elite, religious mullahs, and the mass of ignorant and illiterate peasantry.⁶

5. Gerard Chaliand, "With the Afghan Rebels," *New York Times*, October 9, 1980. Also see his book focusing on the resistance, *Report from Afghanistan* (New York: Viking Press, 1981), p. 49, and the following volume edited by him, *Guerrilla Strategies: An Historical Anthology from the Long March to Afghanistan* (Berkeley: University of California Press, 1982).

6. Beverly Male, *Revolutionary Afghanistan* (New York: Saint Martin's Press, 1982);

3. A third category of scholars portrays the Mujahideen struggle as a purely nationalistic uprising rooted in the age-old historical Afghan traditions, particularly Islam and nationalism.⁷

4. Finally, some see the resistance as a part of "the militant, fundamentalist variety of pan-Islamism identified with the Muslim Brotherhood," though their focus is not on the resistance per se.⁸

I believe that these four different perspectives reveal only part of the reality and fail to understand the true nature of the complex web of various elements constituting the core of this resistance movement, and that these misperceptions have emerged mainly because observers are unfamiliar with the context and history of the evolution of these resistance groups. In the following analysis, I wish to present my perspective and then highlight the points of contrast with other writers.

Origins of the Movement

There is a near consensus among all the above-mentioned contemporary writers that the Afghan resistance originated when the Khalqi regime began implementing land reforms in late 1978,⁹ but this is an erroneous and superficial view of Afghan history. In fact, the origins of the present resistance movement can be traced back to the politics of the constitutional period (1963–73) in Afghanistan.

Modernization in Afghanistan—i.e., education, technology, industrialization, commercialization, general economic development, and foreign influences—began to generate an assertive middle class in the post-World War II era. With the strengthening of the modern state apparatus, and development of the military and bureaucratic infrastructure during the 1950s, the middle class increased significantly.¹⁰ Particu-

Fred Halliday, "War and Revolution in Afghanistan," *New Left Review*, 119 (January/February 1980); David Gibbs, "The Peasant as Reactionary: The Rural Origins of the Afghani Insurgency" (unpublished paper).

7. See Sameel Qureshi, "Communist Coups and Islamic Resistance in Afghanistan," *Asian Thought and Society*, 5:13 (April 1980). Also see David Charters, "Resistance to the Soviet Occupation of Afghanistan: Problems and Prospects," *Conflict Quarterly*, Summer 1980.

8. See Selig S. Harrison, "Dateline Afghanistan: Exit Though Finland," *Foreign Policy*, 41 (Winter 1980–81), p. 178. The focus of Harrison's article is not on the resistance per se; however, we have mentioned it because it gives a different perspective.

9. See Chaliand, *Report from Afghanistan*, particularly the chapter on the Afghan resistance.

10. See Hasan Kakar, "Trends in Modern Afghan History," in Louis Dupree and Linette Albert, *Afghanistan in the 1970s* (New York: Praeger, 1974), and Louis Dupree, *The Emergence of Technocrats in Modern Afghanistan*, American Universities Field Staff Reports, vol. 18, no. 5 (Hanover, N.H., 1974).

larly noticeable was the remarkable rise in educational facilities. Between 1950 and 1965, the number of schools and students increased by 400%.¹¹ In the same period, Kabul University's enrollment increased ten fold.¹² The educated middle class, largely alienated from the religious element in politics and from the customs and patterns of tribal traditions, was critical of the political, economic, and social conditions of Afghan society and considered monarchy to be a hopeless institution for coping with their country's problems.¹³

Four major ideological groups flourished during the constitutional period: (1) the conservatives, made up of the ruling elite, religious elements, and the business elite, who were mainly interested in maintaining the status quo; (2) the liberals or social democrats, consisting of the westernized upper class and some sections of the middle class, who favored a reformist approach and a mixed economy; (3) leftists, mainly drawn from the educated middle class, who were divided into four major groups—the Khalq, Parcham, *Sholai-ye-Jaweid* (pro-Chinese), and the *Setem-e-Melli* (splinter radical group), who worked for a socialist revolution; (4) the fundamentalist groups, made up of some sections of the educated middle and the lower middle classes, who worked for an Islamic revival. We shall focus our attention on the last group since it now forms the backbone of the current Afghan resistance movement. Surprisingly, the history of this group has been largely neglected by the leading writers of Afghan history, while the first three groups have received extensive attention.¹⁴

When Soviet influence in Afghanistan began to increase in 1955, Muslim intellectuals started to worry about communism. The first nucleus of a fundamentalist movement was formed by a group of professors in 1957, including Professor Ghulam M. Niazi, Professor Abdul Rasool Sayyaf, Dr. Saeed M. Musa Tawana, and Professor Burhanuddin Rabbani. The group had limited influence because its activities were confined

11. Ralph Magnus, "The Constitution of 1964: A Decade of Political Experimentation," in Dupree and Albert, *Afghanistan*, p. 60.

12. Ibid.

13. Hasan Kakar, "The Fall of the Afghan Monarchy," *International Journal of Middle East Studies*, 9 (1978), pp. 195–216.

14. In Louis Dupree's and in Nancy and R. S. Newell's works, one finds occasional references but not consistent and detailed views of this group's activities, although the Newells note that the constitutional period provided "fertile ground for the emergence of antigovernment movements on both the Marxist Left and Islamic right"; they also briefly describe the persecution of the fundamentalists at the hands of the Daoud and Khalqi regime. See Nancy P. Newell and R. S. Newell, *The Struggle for Afghanistan* (Ithaca: Cornell University Press, 1981). pp. 48–55, 77. I have tried to construct the picture through detailed interviews with a number of resistance leaders and Afghan intellectuals.

to intellectual discourse. Some of its members were deeply influenced by the Muslim Brotherhood in Egypt and the *Jammat-i-Islami* in Pakistan.¹⁵ The first serious attempt to organize students was the formation of the *Jawanan-i-Muselman* (Muslim Youth) by a student, Abdul Rahim Niazi, in 1968 in Kabul University. Other important founding members were engineer Habib-ur-Rehman, Dr. Muhammad Umar, engineer Gulba-deen Hikmatyar, and Ghulam Rabbani Ateesh.¹⁶

It is important to note several features of this movement. First, this group arose in reaction to both the increasing influence of communist groups in Afghanistan and the conservative elite of King Zahir's government. Its objective was the reconstruction of Afghan society according to Islamic tenets—the creation of a modern state with political participation and socioeconomic justice in line with Islamic values.¹⁷ Second, the movement did not see eye to eye with the upper class religious elements, which it considered to be part of the exploitative establishment that used Islam as a "decoration piece." Third, the movement established its connections with similar fundamentalist movements in Muslim countries, particularly with the *Jammat-i-islami* in Pakistan, the Muslim Brotherhood in Egypt, and the Islamic groups in Iran, and acquired modern Islamic literature for its purposes. Fourth, the movement's main target was the educated intelligentsia of Afghanistan, which was rapidly drifting towards communism. It primarily appealed across ethnic lines to the detribalized middle class. Several *ulemas*, particularly from the urban middle class and the rural classes, also joined this fundamentalist stream, though they preferred to form their own separate groups.

The influence of the fundamentalists spread rapidly among the students. Two weeklies, the *Gaheez* and the *Nida-yi-Haq*, were their main organs. Within five years, the fundamentalists scored their first victory by winning two-thirds of the seats in the Kabul University Students Union elections of 1973.¹⁸ But the situation changed dramatically after Sardar Daoud's take-over in 1973. The government (in active collaboration with the Parcham) began a concerted attack on the fundamentalists. According to one estimate, about 600 active members of the movement were killed by the communists under the Daoud regime (1973–78).¹⁹ There

15. Based on my interviews.

16. A preliminary attempt to describe the fundamentalist group's activities appears in a recent book, Fathur-Rehman and Bashir A. Qureshi, *Afghans Meet Soviet Challenge* (Peshawar: Institute on Regional Studies, 1981), pp. 48–58.

17. Baqui Yousaf Zai, "Kabul University Students: A Potential Political Force," in Dupree and Albert, *Afghanistan*, p. 175.

18. For the background, see Richard Nations, "The Muslims' Divided Alliance," *Far Eastern Economic Review (FEER)*, February 19, 1980.

19. Based on my interviews.

were two reasons for this persecution. First, the fundamentalists had become a serious rival for power and were planning to overthrow the government by infiltrating the army. Second, Daoud sought the cooperation of the Parcham, whose only effective rival and enemy on the campuses was the fundamentalist group. Many of the movement's leaders and active followers fled to Pakistan in 1974-75, and the movement went underground in Afghanistan.

The largely ignored clandestine phase of the fundamentalist movement started at this time. Bhutto's government, worried about Sardar Daoud's revived Pushtoonistan campaign (and possible infiltration of guerrillas trained by the Afghan government), welcomed the fundamentalist leaders in Pakistan and offered them help, including training facilities for fighting against the Daoud government. Pakistan clandestinely trained a military force of close to 5000 Afghan opponents of the Daoud government at secret camps in Peshawar. The objective was twofold: first, to neutralize any pro-Pushtoonistan intentions of the Daoud government; second, to bring Daoud to heel on the question of the disputed Durand line.²⁰ The fundamentalist movement, with the covert support of the Pakistani authorities, launched an insurgency movement in four provinces. The Panjsher insurgency on July 21, 1975, was particularly important—"an event which shook the complacency of many in the [Kabul] power elite . . . [However] a general uprising did not take place, for the people refused to believe the announcement by the insurgents that a 'godless, communist-dominated' regime ruled in Kabul."²¹ Nevertheless, Sardar Daoud was willing to come to terms with Pakistan in 1976. Presumably, several factors influenced his decision. One powerful factor was his recognition of the potential of a fundamentalist opposition supported by Pakistan and Iran. The agreement reached between Pakistan, Afghanistan, and Iran in 1976, which included acceptance of the Durand line, was an extraordinary reversal on the part of Daoud. One analyst correctly noted:

The carrot of the agreement was a massive aid program for Afghanistan. The Shah committed himself to nearly \$3 billion in aid for Kabul. That was more than the total foreign aid Afghanistan had received from all donors in the previous 30 years. . . . On the Pakistani side the stick remained. It was implicitly understood that should Kabul go back on the new agreement vis-a-vis the Durand line and Pushtoonistan issues, Pakistan would be prepared to unleash the forces it had set in motion in the Panjsher Valley in July, 1975.²²

20. See a very interesting and important article by Lawrence Lifschultz, "Afghanistan: The Not-So-New Rebellion," *FEER*, January 30, 1981, pp. 32-33. Bhutto also sent an emissary to Rome to meet Kabul's exiled king, Zahir Shah. When asked if he would be willing to return to power in Kabul if Daoud were suddenly removed, King Zahir agreed.

21. Cited in *ibid.*

22. *Ibid.*

Having agreed to stop mutually interfering in each other's affairs, Pakistan completely suspended its support of the fundamentalists as did Afghanistan of the Pushtoons.

AFTER THE SAUR (APRIL) COUP IN 1978

Two major factors precipitated the widespread mass revolt against the Khalqi regime in the wake of the April 26, 1978, coup d'état: the Marxist character of the regime and the social reforms announced by the regime. Initially, the Taraki regime consciously tried to avoid the communist label and to create a framework of traditional legitimacy, at least in theory if not in practice. Taraki immediately proclaimed that the policy of the new regime would be Afghan nationalism, social and economic justice under Islam, and nonalignment in foreign policy. Its leaders claimed to be the heirs of King Amanullah's reform programs.²³ However, the communist character of the regime soon became clear to the public. Its leaders never tired of proclaiming that they marched in the footsteps of Russia's "great October Revolution."²⁴

To the intelligentsia the alacrity with which the Soviet communist bloc extended recognition and economic aid to the new regime confirmed its communist character. Within six months, 30 agreements were concluded between Afghanistan and the Soviet Union, and 25 agreements were concluded with the COMECON countries. Afghan newspapers and radio stations started to report Soviet bloc policies and to reprint articles from *Tass*, *Pravda*, and *Novosti*. Afghan representatives at the U.N. and at nonaligned meetings faithfully echoed the Soviet position. When the regime adopted the Soviet pattern of primary and secondary education, replaced English with Russian as the required foreign language for secondary school students, and adopted a national flag modeled after those of several Soviet republics, most Afghans recognized its communist intentions.

Reforms such as the cancellation of agricultural debts, land redistribution entitling each family to keep only 30 jaribs of land (about 6 hectares), abolition of the bride price and *pardah* (the traditional veil for women), and reduction of the powers of religious leadership undermined traditional customs and laws based on Islamic beliefs about money, land, sex, and religion. The reforms must be seen in conjunction with the regime's character, which was a more important factor in precipitating the revolt. Neo-Marxist writers have overemphasized the Afghan reaction to the reforms as the cause of the resistance, and have under-

23. See Louis Dupree, *Red Flag Over the Hindu Kush: The Accidental Coup or Taraki in Blunderland*, American Universities Field Staff Reports, no. 45 (Hanover, N.H., 1979).

24. Ibid.

emphasized or ignored the fact that it was basically a question of the legitimacy of the regime. The Marxist regime was unacceptable to nearly all strata of Afghan society except a small proleft segment of the urban middle class. The radical land reforms aimed at breaking the traditional social structure, formation of rural cooperatives on the communist pattern, efforts to replace the authority of the local elite with the regime's own party bureaucracy, and widespread arrests, massacres, and executions of opponents, provoked country-wide resistance. By September 1979, 30,000 people were in jail and 12,000 had been executed. To achieve overnight change, the regime struck at the strongholds of traditional power bases. The resistance it provoked had four centers—the traditional elite, the religious class, and the fundamentalist and nationalist groups in the rural areas.

Nooristan was the first province to revolt, followed by Hazarajat Badakhshan, Paktiya, Nangarhar, Kapisa, Uruzgon, Parwan, Bagdghiz, Bulkh, Ghazni, and Farah. In Herat thirty Russian advisors and their families were brutally murdered, and hundreds of Khalqis and Parchamis were assassinated in the rural areas. According to one estimate, the resistance controlled 23 of 28 provinces in December 1979 on the eve of the Soviet intervention in Afghanistan.²⁵

Mujahideen Groups and Their Social Bases

Initially the resistance was spontaneous and widespread. As an observer noted: "Virtually all social groups joined in the rebellion. Ethnic groups, religious movements, tribal factions, regional groups, radical leftist factions. . . . Some rejected the regime for religious reasons, others because they resented its centralized authority. The rebellion was diverse and wholly uncoordinated, rising spontaneously among the people."²⁶ After the Soviet intervention, Kabul also rose against the puppet regime of Babrak Karmal. Between February 21 and 25, 1980, 350 people were killed in Kabul, and several hundreds were wounded. Babrak Karmal officially admitted to the arrest of 3,000 people.²⁷

There are two forms of resistance in Afghanistan: one is spontaneous, unorganized, and uncoordinated; the other is organized into certain established groups. The unorganized form of resistance draws on primordial loyalties—family, kinship, subtribe, tribe, and region. It consists of 200 or more small local groups, fighting against the Afghan and

25. Based on my interviews.

26. Chaliand, *Report from Afghanistan*, p. 61.

27. Richard Nations, "The Grassroots Challenge to Moscow," *FEER*, March 7, 1980.

Soviet troops. The organized resistance draws on the educated middle class for its leadership and seeks support from ethnic groups as well as across ethnic lines. It is usually based on the modern ideologies characteristic of Afghan politics during the constitutional period. The focus of this article is organized resistance, since the local groups fighting all across the country have shown a distinct tendency to join or cooperate with one or another organized group for supplies and strategic necessities in order to fight against an enormously superior enemy.

The organized resistance began taking shape in Pakistan after the arrival of Afghan refugees in the middle of 1978. At the end of October 1979, the number of registered Afghan refugees in Pakistan exceeded 385,000. On the average, 60,000 Afghans left their country every month following Amin's takeover in September 1979, before the Russians came. After the Soviet intervention the refugee inflow changed into "a torrent running through a mountainous region."²⁸ By the end of 1981, the number of refugees had gone up to 2.6 million, one-eighth of the total national population.²⁹ Currently, the Pakistani government's official estimate is 2.8 million, with refugees still pouring in.

At present there are six effective groups of Mujahideen, which have combined into two major alliances: fundamentalists and traditionalists. The fundamentalist groups are: (1) Hizb-i-Islami (Engineer Gulbadeen Hikmatyar); (2) Jamiat-i-Islami (Professor Burhanuddin Rabbani); (3) Hizb-i-Islami (Younus Khalis group). The traditionalist groups are: (1) Milli Islami Mahaz (Pir Ahmad Gilani); (2) Jabha Nijat-i-Milli (Sibghat-Ullah Mujaddidi); (3) Harakat-i-Islami (Nabi Mohammad Mohammadi). These last three groups were formed in 1978 in Peshawar. Each group's general features will be described by indicating the nature of its leadership and its social base; a discussion of the differences among them will follow.

Before each group's characteristics are described, a few words are necessary regarding the sources of information. In estimating the size of the various resistance groups, I have relied on a number of interviews with the Afghan Mujahideen, Pakistani journalists, and former Afghan civilian and military officials, and have cross-checked the findings with international press reports. However, the figures are highly subjective and must be treated as approximations. Two categories were used to determine the size of each group: *organized* membership, meaning those who are directly under the strict discipline of the party; *total* following,

28. See a very detailed report on Afghan refugees in Pakistan, "Search for a Solution," *Pakistan and Gulf Economist*, April 3-9, 1982.

29. Ibid.

meaning those who prefer to identify themselves with one or the other group, but who may not necessarily be under strict control by the group's hierarchical command. It is also important to point out that the figures mentioned under the category of *total* following are usually constantly in flux, with changing loyalties from one group to another depending on the strategies each group uses to woo strength from among the refugees and on the level of flow of external supplies from external sources.

THE FUNDAMENTALISTS

The fundamentalists belong to the same detribalized middle class that played a crucial role in different antigovernment movements during the constitutional period (1963–73). They had a number of advantages over rival organizations. First, because they launched the armed struggle in Daoud's time (1973–78), they had acquired legitimacy by the time of the Soviet intervention. They could tell the refugees that they had started the armed struggle in 1975, predicting that "godless communism" was Afghanistan's main enemy. Second, they had already formed trained and well-armed cadres, consisting of educated youth (mostly graduates from Kabul University). They thus quickly assumed leadership when refugees started joining the resistance in large numbers. Third, their better organizational structure, underground connections in Afghanistan, and assured sources of supply attracted the younger refugees. Finally, the earlier covert blessing of the Pakistani government and the open support of Jammāt-i-Islāmī, both moral and material, was a great asset to them.

Hizb-i-Islami (Gulbadeen Hikmatyar) Estimated membership: organized—30,000; total following—67,500. This group is the largest and best organized with a well-entrenched organizational structure, internal electoral system, and the largest following inside Afghanistan.³⁰ Hikmatyar himself is a Pushtoon of the Kharot tribe, but he has acquired a charisma and an appeal across ethnic and tribal lines. He has been the prime target of Soviet propaganda since 1979. Because of his reputation, most Afghan soldiers who defect report to him, although he is extremely cautious in recruiting them and prefers to test their loyalty before placing them in responsible positions. He revealed to this author that he commands the loyalty of 2,500 well-trained Afghan army officers and an undisclosed number of Tajiks who defected from the Soviet army.³¹

30. My estimates regarding various groups' strength are based on approximately 200 interviews conducted in Peshawar and Quetta, mostly with wounded Mujahideens in hospitals. See Tahir Amin, *Afghanistan Crisis: Implications and Options for Muslim World, Iran and Pakistan* (Islamabad: Institute of Policy Studies, 1982).

31. My interview with Hikmatyar in December 1982.

Hikmatyar was one of the most active founding members of the *Jawanan-i-Musalman* organization founded in 1968.

Hikmatyar believes that Afghanistan must become a modern Islamic state (according to fundamentalist ideology) and that there should be no return to the old patterns. Compared to other fundamentalist leaders, he is a hardliner in his views. Rural Pushtun areas are his major constituency, particularly in the northeastern provinces of Kunduz, Baghlan, Kunar, and Nangrahar. Cells of his party exist in almost all major urban centers. An analyst noted: "The future of Afghanistan is to belong only to the new class of Mujahideen, the holy warriors. Even antagonists of Hikmatyar must admit that his Hizb-i-Islami, compared with all other resistance organizations, is the best disciplined, organized and trained fighting group which comes closest to a guerrilla movement of the 20th century."³²

Jamiat-i-Islami (Burhanuddin Rabbani) Estimated organized strength—15,000; total following—25,000. Rabbani's group is the second largest group among the resistance organizations. Rabbani is moderate and pragmatic in comparison to Hikmatyar, and he is willing to cooperate with other traditionalist groups. Like Hikmatyar's group, his second level leaders come from the educated class: doctors, engineers, professors of relatively older age. Himself a Tajik, he commands more respect and loyalty among the minorities: Tajiks, Uzbeks, and Turkomans. He is quite influential in Badakhshan, Takhar, Kunduz, Baghlan, the Panjsher valley, and Samangan.

Hizb-i-Islami (Younus Khalis) Estimated organized strength—5,000; total following—7,500. Younus Khalis is older than the above-mentioned two leaders, but he is a tough fighter and often participates in the fighting. He belongs to the category of *ulemas* who had their separate fundamentalist groups during the constitutional period. Himself a Push-toon of the Khogiani tribe, he is influential in Paktia, Nangrahar, Jalalabad, and Kunar.

32. *Die Zeit* (Hamburg), in *FBIS*, April 4, 1980. Several observers agree with this assessment. See Newell and Newell, *Struggle for Afghanistan*, p. 182. Chaliand describes Hikmatyar as "the most intelligent, ambitious and ruthless resistance leader in Peshawar." See Chaliand, *Report from Afghanistan*. *Pravda* admitted on July 6: "One of the most active detachments of the Afghan counterrevolutionaries, operating both from Pakistani territory and within the DRA is the . . . Islamic Party of Afghanistan [Hizb-i-Islami]." *CDSP*, 32:27 (August 6, 1980). Also see "Analyzing Islam's Reactionary Movements," *CDSP*, 34:32 (September 8, 1982), pp. 8-9.

THE TRADITIONALISTS

The traditionalist groups were formed after the 1978 Saur coup. They draw their support from the conservative religious elite, *Pirs*, *Sufis*, tribal chiefs, and landlords. They belong to the dominant classes of Afghanistan and command a traditional following. They want to restore the status quo ante in Afghanistan, and are also willing to accept the leadership of King Zahir.

Milli Islami Mahaz (Syed Ahmad Gilani) Estimated organized strength—8,000; total—15,000. Himself a *Pir* (a form of religious leader), Gilani's family played an influential role in the revolt against King Amanullah's reforms. He commands a large following in Pushtoon areas bordering Pakistan, in theory if not in practice. Because of the change in the nature of Afghan politics (i.e., growing polarization along ideological lines, particularly since 1973) and the fundamentalist organizations' initial edge, he has not been able to collect enough following from the traditional bases. Poor organizational structure has been another major weakness. His group has attracted attention, however, in the Western press and in government circles in the U.S., Saudi Arabia, and some Persian Gulf states, and is particularly strong in Paktia and Paktika.

Jabha Nijat-i-Milli (Sibghat-Ullah Mujaddidi) Estimated organized strength—8,000; total—15,000. Mujaddidi is a member of the Hazrat Sahib Shor Bazaar family of Naqshbandi order, a traditionally influential religious family. He served as director of an Islamic studies center in Denmark for some time. He draws his support from religious circles and tribal chiefs, and receives financial support from Saudi Arabia and the Persian Gulf states. However, his influence is limited.

Harakat-i-Islami (N. M. Mohammadi) Estimated organized strength—10,000; total—25,000. Among the traditionalists, this group commands the largest following but has been weakened by the defection of two splinter groups led by Nasrullah Mansoor and Rafiullah Moezzan who have joined the fundamentalist alliance. It is loosely organized, mainly consisting of middle and lower middle class *mullahs* who command effective influence over the rural population. This group has been influential in Logar, Ghazni, Kabul, Kandhar, and Baghlan.

NATURE OF DIFFERENCES

Differences among the fundamentalists began to appear in 1975, primarily over the question of what strategy to use against the Daoud regime. Hikmatyar's group, consisting mostly of youths, opted for armed resistance and sought help from the Bhutto government against Daoud. But Rabbani's group thought that the time was not yet ripe for armed

struggle. He concentrated on touring various Middle Eastern countries in order to collect funds for his cause. Further differences arose among the fundamentalists when Younus Khalis separated himself from the Hizb-i-Islami and formed his own group. When the traditionalist groups were formed in 1978 (soon after the Saur revolution), differences among the fundamentalists were further deepened over the question of what type of relations should be kept with the rest of the groups. Rabbani and Younus Khalis thought that a broad-based alliance could be formed with the help of all other groups in order to coordinate a long-term fight against the Soviets, and that this unity would also bring them much needed foreign aid and recognition, but the Hikmatyar group did not share these views. It persisted in maintaining its own identity and refused to cooperate with the other groups. Personality differences, tribal and ethnic rivalries, and mutual suspicions compounded the differences. On May 4, 1982, after several unsuccessful efforts, all the fundamentalist groups formed an alliance, "The Islamic Alliance of Afghan Mujahideen," under the leadership Professor Abdul Rasool Sayyaf, one of the founders of the fundamentalist nucleus in Afghanistan in 1957.

The traditionalist groups of Harakat, Milli Mahaz, and Jabha Nijat-i-Milli formed their own alliance, sinking their mutual differences. Differences among the traditionalists and the fundamentalists primarily arise because of disparities in their social bases, leadership styles, philosophies, and visions of the future. The leadership of the traditionalist and fundamentalist groups comes from different classes. The traditionalist leaders are from the privileged elite class (landlords and the conservative elite), which is struggling to maintain the status quo ante and is even willing to accept King Zahir as its leader; the fundamentalist leaders come from the educated middle class and the lower middle class, which are striving for an Islamic revolution and to whom King Zahir is one of the chief culprits, responsible for bringing the Soviets into Afghanistan. At the heart of the differences is the definition of Islam itself. The traditionalists believe that Islam is the religion of prayers and formal ceremonies concerned with the private life of an individual only and has little to do with ceremony, polity, and the business of government, while the fundamentalists believe that Islam is a complete code of life, providing guidelines for social, political, and economic systems, and that it is perfectly compatible with new technology, modernization, and progress. This approach by the fundamentalists has been a general characteristic of most of the Islamic revivalist movements emerging in the contemporary Muslim world.³³ Differences between these two conceptions of the future seem unbridgeable at the moment.

33. Khurshid Ahmad, "Islamic Resurgence: A Creative Response to Western Ideology," *Guardian* (London), December 3, 1979.

It must be noted that Afghan fundamentalists basically take their inspiration from the late Syed Moulana Maudoodi, founder of the Jammāt-i-Islāmī in Pakistan. They are sympathetic to the Islamic revolution in Iran, but do not look towards Khomeini's teachings for guidance as several observers of the scene have widely believed. One may see pictures of the Jammāt-i-Islāmī and Muslim Brotherhood leaders hanging on the walls in almost all headquarters of fundamentalist groups in Peshawar. Hikmatyar, Khalis, and Rabbani made this point emphatically clear to this author in several interviews in response to questions regarding their ideology. This also explains why the Jammāt-i-Islāmī is so enthusiastic about helping and supporting all the fundamentalist groups.

It must be pointed out, however, that an operational unity is slowly evolving among all the groups. Differences appear more sharply in the political overtones of each group, but a formidable enemy and strategic necessities force these groups to cooperate with each other on the battlefield. As one leader put it, "Of course we differ with the method of struggle, but we have the common task of throwing the Russians out."³⁴

Mujahideen Strategies and Soviet Response

Several factors help the Mujahideen towards success in their tactics against the Soviet troops. Physically, the Afghans are a very tough people and live austere; they can live on coarse bread and goat's milk. Most of them have been fighters since childhood since it is part of the culture to own and use weapons. Furthermore, they have a superior knowledge of the terrain, religious fervor, very high morale, and nearly complete support of the population. A military analyst described their objectives: "The Mujahideen tactics indicate a three pronged strategy: firstly, to prove by large scale sabotage that the government at Kabul is not in control of the country; secondly, to alienate support to the government by assassination, arson and looting; and thirdly, to weaken the army by inciting defections and discouraging fresh recruitments."³⁵

Initially, the Mujahideen fought the war in the traditional tribal style. A large number of guerrillas carrying antiquated rifles would lay siege to the military strong points. This cost them heavily in terms of lives lost. However, with the passage of time, the arrival of sophisticated weapons, and the training of substantial numbers of guerrillas, they have become refined in their tactics.

34. "Political Groupings of Afghan Mujahideen," *World Islamic Times*, January 12-18, 1983.

35. Imtiaz H. Bokhari, "The War in Afghanistan: A Study of Insurgency and Counter-Insurgency," *Strategic Studies* (Islamabad), 5:3 (Spring 1982), pp. 19-47.

In addition to using ambushes, guerrillas plant mines, set up road blocks, blow up bridges, destroy powerhouses, and cut telephone lines. They also assassinate the core members of the Parcham party, and kidnap important Afghans or Soviets and use them to bargain through informal channels for the release of Mujahideen captured by the regime. They have also been very successful in cultivating intelligence networks within the government administration. They ask potential deserters (usually the alienated Khalqis) not to defect, but to stay and provide them with important information. Soviet sources, initially in veiled language but now openly, admit the success of these Mujahideen tactics.³⁶

The Soviet response to the guerrilla tactics has followed a long-term multi-pronged strategy employing a mix of political, military, and economic means. The Soviets obviously have an enormous technological edge over the guerrillas both in terms of modern sophisticated weaponry and well-trained armed forces, but their edge is greatly reduced by their unfamiliarity with the terrain and the lack of any specialized training in guerrilla warfare. The highly centralized, rigidly controlled Soviet armed forces, primarily trained for large-scale offensive operations in Europe, have found it very difficult to adjust to hit-and-run conflict in the adverse conditions prevailing in Afghanistan. A Soviet military correspondent noted the contrast between the training of the Soviet forces and the fighting conditions in Afghanistan:

The exercise proceeded according to all the laws of modern-day combat, although the situation was not like those in which Lt. Stovba had operated at the military academy. The mountainous locality dictated its own conditions. The units often lost contact with one another, the apparent nearness of the objectives was deceptive, and the radio set acted up. To this it must be added that at all stages of exercise the Soviet fighting men's operations were furtively observed by *dushman* [enemy], who are waging an undeclared war in Afghanistan. Afraid to enter into open battle, they waited for an opportune moment to stage a surprise attack.³⁷

Initially, Soviet military activities were primarily aimed at securing two objectives: the control of major cities, and main roads and communications, and flushing out the guerrilla centers in the border provinces through search-and-destroy missions. Greater emphasis was placed on political efforts to achieve at least a semblance of legitimacy, beginning with giving lip-service to Islam, projection of religious figures who supported the regime, recitations from the Quran at public ceremonies,

36. See "A Visit with Soviet Troops in Afghanistan," *CDSP*, 34:32 (September 8, 1982).

37. "Soviet Reports on Fighting in Afghanistan," *CDSP*, 35:9 (March 30, 1983), p. 5.

the amendment of land reforms, appeals to nationalism by such means as the creation of the National Fatherland Front, and attempts to unify Parcham and Khalq. The regime attempted to bribe the tribes with money, food, and weapons, and also created a special militia known as the "defense of the revolution" battalions. Youths who "join are paid roughly \$162 per month, which is greater than the salary of deputy ministers before the invasion. Several thousand militiamen have been organized into groups of two to three hundred along tribal lines, and sent to regions of traditional tribal enemies."³⁸ None of these military, political, or economic measures has achieved any significant degree of success in the short run, mainly because of the extremely narrow base of the regime, continuing conflict between Parcham and Khalq, continuing unpopularity of the Soviets, almost complete unreliability of the Afghan army, and the increasing number of guerrillas. The Soviets are not giving up their objectives, however; rather, all indications are that they are banking on certain comprehensive long-range policies, which are described below in brief outline.

Militarily, the Soviets have increased their activity by bringing in more troops, which now stand at 105,000, and have started conducting a highly intensified counterinsurgency war against the guerrillas.³⁹ The Soviets now employ mechanized and helicopter gunship assaults to flatten villages (with heavy loss of civilian life), forcing the rural population into the towns and the Mujahideen to the hills, thereby denying them food, shelter, and information. Technical personnel from Cuba, East Germany, Bulgaria, and Czechoslovakia—possibly urban and rural guerrilla warfare experts—have been called in to give advice on the future course of counterinsurgency operations.⁴⁰ The Soviets are also constructing permanent military barracks, improving logistic facilities, expanding the airports, and planning to build a railway in Afghanistan. They have already built a rail bridge over the Amu River, and a 250 km railway link to Puli-Khumri is being undertaken with the intention of extending it to Kabul.⁴¹

Politically, the Soviets are undertaking a process of Sovietization that aims at reshaping the political structure in Afghanistan on the Soviet pattern. Various Soviet-style organizations, such as trade unions, unions of artists, writers, poets, and journalists, and the "Democratic Organization of Afghan Youth" have been formed in Afghanistan. These organi-

38. Thomas M. Cynkin, "Aftermath of the Saur Coup: Insurgency and Counterinsurgency in Afghanistan," *The Fletcher Forum*, 6:2 (Summer 1982), p. 291.

39. "A U.S. Report on Afghan Fighting," *The Boston Globe*, March 10, 1983.

40. Rajendra Sareen, *India Today*, May 1-15, 1981.

41. *Dawn* (Karachi), March 23, 1983.

zations maintain close ties with equivalent Soviet bodies. Communication agencies, television, cinema, radio, and news agencies are run under Soviet advice, mostly relaying Russian programs. Children between the ages of 12 and 16 are being sent to the Soviet Union for training.⁴² A program of indoctrination has been launched for the Afghan army; the Soviets hope it will yield a more disciplined and ideologically motivated cadre to control the new Afghan army.

The most important policy, both for the present and the future, is the nationality policy (which is similar to the Soviet nationality policy) announced in December 1981.⁴³ Its main aim is to encourage local cultures and traditions in different parts of the country in the hope that Afghans will turn away from thoughts of national identity, thus breaking the backbone of resistance. The Afghan Ministry of Tribes and Nationalities has two departments, the Nationalities Department and the Tribal Department. The former deals with minority ethnic groups such as Uzbeks, Tajiks, Turkomans, and Hazaras. Their mother tongues are being officially recognized and their cultures encouraged, and much is made of their affinities with their cousins in Soviet Central Asia. The Tribal Department deals with the Pathans, who constitute about half of the population. The Pushtoon tribal belt is being subdivided into small administrative units, making each tribal chief a commissar and providing him with several incentives (including privileged education for his children). The above-mentioned politico-military Soviet strategy in many ways resembles their tactics in dealing with the Basmachis in Central Asia in the 1920s.

The success or failure of this strategy in Afghanistan depends on a number of factors, but before discussing this, I turn to an analysis of the resistance movement's strengths and weaknesses.

Strengths and Weaknesses of the Resistance

Keeping in mind the past three years of the Mujahideen struggle, I will analyze the movement's strengths and weaknesses, focusing particularly on organization, cohesion, sources of supply, the question of unity among different groups, their achievements, the regime's losses, and the Mujahideen's degree of territorial control.

Almost all observers of the scene agree that the Mujahideen have

42. John Fullerton, "Too Much at Stake to Quit," *FEER*, December 24, 1982.

43. For the details of the policy, see "As Stalin said . . .," *The Economist* (London), March 13, 1982; John Fullerton, "Tribal Stick, Aid Carrot," *FEER*, March 12, 1982; Mohan Ram, "Jihad, Soviet Style," *FEER*, March 12, 1982. Also see an interesting article, "Changing Scene of Afghanistan," *Radiance* (Delhi), May 16, 1982.

turned localized resistance pockets into a national liberation war, and that, gradually, better coordination, better cohesion, and a greater degree of operational unity has developed among the various groups on the battlefield. Their military capability has substantially improved with the inflow of light sophisticated infantry weapon supplies from a number of sources: (a) Afghan army defectors; (b) the village arms-market in Pakistan; (c) private organizations; and (d) various governments. Initially the defectors—almost half of the Afghan army (25,000–30,000 soldiers)—and the village market known as *durra* constituted the two primary sources of weapons. Now, however, several private organizations sympathetic to the Mujahideen cause raise funds from the Middle Eastern countries and buy the weapons on the international market for the Mujahideen. Finally, governments—particularly China, various Western countries, Egypt, Saudi Arabia, the U.S., Pakistan, and Iran—also help the Mujahideen in varying degrees.⁴⁴

The Mujahideen now possess sophisticated recoilless rifles, Soviet-, Chinese-, and British-built mortars, light anti-aircraft, RPG 7 shoulder-fired antiarmor rocket launchers of Soviet design, heavy machine guns, a limited quantity of SAM-7 missiles, and plastic-covered Chinese mines.⁴⁵ Possession of sophisticated weaponry has raised the level of fighting in Afghanistan many fold. The intensity of the fighting can be gauged from the fact that, according to official Kabul radio's own reports, 205 incidents of fighting took place within 268 days between January 15 and October 10, 1982, in practically all provinces of Afghanistan.⁴⁶ However, the actual level of fighting was much higher in 1982 than the Kabul radio reported. Particularly worth mentioning is the Soviet failure in 1982 to recapture the Panjsher valley held by Ahmad Shah Masud, a charismatic guerrilla leader of the Jamiat-i-Islami.

Panjsher is a steep, narrow valley about 100 km north of Kabul. It has become a symbol of resistance because its strategic location threatens Kabul itself, the major military air base at Begram, and routes linking the capital with the Soviet Union. The Soviet offensive in May and June 1983 was the "biggest Soviet military operation in Afghanistan" to date, involving 12,000–15,000 men and 190 helicopters, but the offensive failed and proved "very costly for the Soviet Afghan troops in terms of casualties and lost material."⁴⁷

44. Aernout Van Lynden, "Foreign Arms Aid Afghans' Insurgency," *Washington Post*, December 19, 1982.

45. Mohan Ram, "The Holding Operation," *FEER*, July 31, 1981.

46. Monitoring of Kabul Radio is based on the Daily Broadcasting Report issued by Pakistan Ministry of Information.

47. See Eliza Van Hollen, *Afghanistan: Three Years of Occupation* (Washington, D.C.: U.S. Department of State, Bureau of Public Affairs, December 1983).

The regime's losses as a result of guerrilla activities, even according to their own official reports, have been substantial. A 1983 Soviet report noted:

The number of schools destroyed by the rebels since April 1978, when the people's democratic revolution took place in Afghanistan, is nearing 2000. Material damages come to about 1 billion Afghanis. The counterrevolutionaries' destruction of 31 hospitals and 104 medical stations has cost the Afghan people . . . 420 million Afghanis. Afghan industry has sustained a loss of 2.8 billion Afghanis from sabotage alone.⁴⁸

Urban guerrilla warfare launched by the Mujahideen has become so nerve-racking for the regime that, according to the same report, whatever institution in the capital one enters, whether a city government building, a hospital, the state bank, the central newspaper's editorial offices, a borough party committee office, or a bakery, everywhere and always one sees people carrying guns.⁴⁹

Transmission lines of Afghanistan's largest power station—Naglu Power Station—which supplies electricity to Kabul, were blown up, and "the country's principal city lived on starvation rations of power for nearly a month and half."⁵⁰ The Soviet embassy, Kabul Airport, party offices, and the offices of the Khad, the intelligence agency, have also become the main targets of guerrilla sabotage. A very effective assassination campaign has been organized by the guerrillas in Kabul. Besides Kabul, Soviet control over other major cities—Kandahar, Mazar-i-Sharif, Herat, and Ghazni—is very tenuous, and these cities often changed hands in 1982. Despite very strict draft laws, the regime has been unable to build an army of more than 30,000–40,000 men, and so far it has lost about 10,000 men annually through desertions and 5,000 through casualties.⁵¹

Estimates of Soviet casualties range between 12,000 and 15,000. One important casualty was Lt. General P. I. Schkidehenco, who was killed on January 19, 1982, in Paktia province when his helicopter was hit by a rocket attack launched by a member of the Younus Khalis group.⁵² Soviet sources have been admitting their casualties in veiled terms.⁵³ The Mujahideen have handed over seven Soviet POWs to the International Committee of the Red Cross in the aftermath of an unusual agreement

48. "Soviet Reports on Fighting in Afghanistan," *CDSP*, 35:9 (March 30, 1983).

49. *Ibid.*

50. *Ibid.*

51. Van Hollen, *Afghanistan*.

52. *The Tehran Times*, February 24, 1982.

53. See a number of references cited in Van Hollen, *Afghanistan*. Also see an interview with Chief Marshal of Aviation, P. S. Kutakhov, Commander-in-Chief of Air Forces, *CDSP*, 34:32 (September 8, 1982).

involving the Soviet Union, guerrilla groups, Afghanistan, and Pakistan.⁵⁴ A number of Tajik and Uzbek soldiers have defected to the Mujahideen side and are now fighting along with them against the Soviets.⁵⁵ The morale of the Soviet soldiers is generally low. A correspondent, having recently toured Afghanistan, noted: "Soviet soldiers sell stores—petrol, oil, vehicle spares and even weapons for *hashish* and imported Western goods. Looting, casual mistreatment of the locals and heavy drinking and drug-taking are commonplace."⁵⁶ Interviews with the Soviet soldiers now in Red Cross custody reveal that one possible reason for low morale may be the lack of any cause. A Soviet soldier said that "as soon as his unit reached Kabul, it became obvious to him and most of his fellow conscripts that the Mujahideen enjoyed widespread national support, and that Russian troops were doing the dirty work for Babrak Karmal."⁵⁷ Another possible reason may be that most of the Soviet soldiers are comparatively young, having no experience of war, and are not used to the hard conditions of life in Afghanistan.

The Mujahideen control between 75% and 80% of the countryside and have established their own alternative government in several places. Several journalists visiting Afghanistan have described the existence of rudimentary political and administrative organizations in various regions.⁵⁸ However, in Panjsher Valley there exists an effective and popular civilian administration—schools, a clinic, a library, a clandestine radio station, reorganized agricultural production, and even a civilian bus service using captured Soviet trucks. Similarly, the Hazarajat region (Baamiyan, Urzugan, and Ghaur provinces), virtually a free region since 1978, has its own republic, with a Shia religious leader as president. This is an independent group, and receives money and arms from Iran. Although the majority of the region is Shia, they cooperate increasingly with the main resistance groups.⁵⁹ However, since the main preoccupa-

54. The Soviets were unwilling to reach an agreement initially because it would have meant recognizing guerrillas as a party to the conflict, but after the guerrillas executed E. R. Okrimyuk, head of the Soviet Geological Survey Unit in Afghanistan, the Soviets agreed to enter into the accord.

55. Based on my interviews. Also see *FEER*, September 11, 1981.

56. John Fullerton, "A Short Dangerous Walk in the Soviet Kush," *FEER*, December 24, 1982. Reports regarding low morale of the Soviets are numerous. See Stuart Auerbach, "Standoff in Afghanistan," *Washington Post*, December 27, 1981. Also see *International Herald Tribune*, September 25–26, 1982, and December 19–20, 1981.

57. Philip Jackson, "A Testing Ground for Weapons," *Dawn*, February 4, 1983.

58. A Nearby Observer, "The Afghan-Soviet War: Stalemate on Evolution," *Middle East Journal*, 36:2, Spring 1982.

59. Eugen Rieser, "On Guerrilla Paths in Afghanistan," *Swiss Review of World Affairs*, 32:10 (January 1983), p. 72. Anthony Davis, "A View from Between the Tiger's Jaw," *Arabia* (London), April 1983.

tion of the Mujahideen is to fight the enemy, which is far stronger and commands many more resources, the concern for establishing an alternative authority always remains its second priority. Perpetual war and the hit-and-run nature of conflict keeps these rudimentary administrations transient and temporary.

Although fighting near the Pakistan border receives more publicity, the level of fighting in northern Afghanistan on the Soviet border is no less intense. The tensest areas of fighting reported by Radio Kabul during 1982 were in areas bordering the Soviet Union such as Farayab, Balkh, Qoanduz, Takhar, Badakhashan, and Jozjan. There are two possible reasons for the intensified resistance in those areas. First, a large number of people who live there have ancestors who migrated during the Soviets' Basmachis campaigns of the 1920s—Tajiks, Uzbeks, and Turkomans—and they have bitter memories of the past. Second, the Jamiat-i-Islami and Hizb-i-Islami operate from the nearby Iranian borders. In particular, the Jamiat commands a substantial following in these areas. Initially, the Mujahideen conducted occasional forays across the Soviet borders. They later stopped their overt activities because of heavy Soviet retaliation, but they continue clandestine activities, such as smuggling in Islamic literature, written in both Russian and local languages. The Mujahideen leaders told the author that they had developed contacts with several groups of Central Asian Muslims. Some of the local radio stations established by Mujahideen also relay special broadcasts for Central Asian Muslims.

However, the weaknesses of the resistance movement must also be analyzed in detail in order to achieve a balanced picture. Until recently, before two major alliances were formed, the Mujahideen groups clashed with each other several times inside Afghanistan. Clashes were reported between the Hikmatyar and Rabbani groups, on the one hand, and the Hikmatyar group and all other traditionalist groups, on the other hand. The main reason for these clashes was Hikmatyar's rigid and uncompromising attitude. They also occurred partly because of the numerical dominance of his group over the others. Since the formation of the two alliances, no fighting among the rival bands has been reported. One reason is that when the alliance was formed, the fundamentalists explicitly stated in the charter that they would refrain from fighting among themselves and with all other Islamic groups fighting against the Soviets. However, past grievances and mutual suspicions persist, and they provide the Afghan intelligence agency, the Khad, with opportunities to revive such differences in the hope of eventually sparking new conflicts among the groups.

The Khad staff now exceeds 40,000, and the Soviets seem to rely

heavily on this agency in order to counter the resistance. Khad agents have also created problems among the refugees and local populations in Pakistan, exploiting tribal differences and inciting the tribes against the central government. These areas seem to be the prime target of Khad and KGB covert activities.

Another major weakness of the resistance is the lack of effective strategic planning. Most of the guerrilla operations remain localized because of the poor level of military leadership and the traditional tribal milieu in which the guerrillas operate. Since the main support of these organizations comes from rural tribal areas, tribal characteristics dominate at times. An observer points out: "They confuse tactical ruses with strategic planning; consider organizational discipline an unnecessary luxury; spurn any work other than actual combat as tedious or mundane, unworthy of [the] guerrilla fighter."⁶⁰

However, the Panjsher war shows that the Mujahideen are gradually learning the lessons of modern warfare.

Lack of cohesive political leadership is still another and probably the greatest weakness. Because the Mujahideen often fail to agree on who their leaders should be, they have not been able to represent themselves successfully at international bodies, nor have they been able to achieve any significant international recognition so far. Their differences and disagreements leave interested third parties confused and bewildered. The result is that the flow of supplies is not steady, and the supplies are often not useful. They have not been able to acquire sufficient antitank and antiaircraft weapons. And because the supply factor is the most important in determining the course of war in the long run, this weakness leaves the guerrilla organizations vulnerable and dangerously dependent on the policies of the suppliers.

On balance, it appears that the Mujahideen movement is strong in terms of its military achievements but politically weak. Militarily, it is clear that the Babrak Karmal regime cannot survive without the Soviet forces and also that the Soviet Union is now suffering substantial losses of both men and material. Politically, the movement's weaknesses arise from the disunity of the groups and their continuing suspicions of each other, on which the Soviet and Afghan intelligence agencies are able to capitalize. The movement's political weaknesses also arise in part from the fact that interested governments such as the U.S., other Western countries, Pakistan, and Iran have shown a noticeable lack of interest in building the Afghan resistance movement politically, and this has resulted in a lack of recognition and understanding at the international level.

60. Chaliand, *Report from Afghanistan*, p. 49.

Conclusions and Future Prospects

This analysis has established a number of points. First, it shows that the resistance has its roots in the politics of the constitutional period (1963–73). Afghan politics became sharply polarized along ideological lines during Daoud's last years when a qualitative change occurred in Afghan society. Besides the traditional political elite, there emerged a fundamentalist ideological elite that has been more successful than the traditionalists in winning support both among the constituencies of the traditional elite and the antileft nationalist middle class.⁶¹ An insightful observer of the scene has noted this change:

In the vacuum created by the death, departure or discrediting of traditional forms of leadership and social control, young guerrilla commanders have begun to emerge—a new elite, schooled in guerrilla war, weaned on the Koran and having ties neither with the monarchist, the political aristocracy of the past nor the myopic traditionalism of the rural hamlet.⁶²

The movement has had three distinct stages: (1) the constitutional period when it originated and flourished; (2) the Daoud period (1973–78) when it underwent severe persecution, sought help from Pakistan, and launched an armed struggle against the regime; and (3) the present phase. When the widespread popular resistance emerged after the communist coup of 1978 and the Soviet intervention in 1979, a variety of resistance groups representing the mosaic character of Afghan society were formed. However, as shown in my analysis, the fundamentalist movement was well prepared to seize the opportunity, and quickly assumed the spearhead role against the Soviets.

Second, effective organized resistance is being led by the fundamentalists, while the traditionalist groups, having no popular support and little ideological objective beyond a return to the status quo ante, have little appeal among the masses. The fundamentalist organizations have their own programs and a vision of the future. These fundamentalist organizations in Afghanistan resemble, on the surface, fundamentalist organizations in other Muslim countries, but they are, in fact, distinctly blended with Afghan national, tribal, and ethnic loyalties, and are quite independent in their approach.

61. Another glaring example of this reality is the failure of many attempts by former leaders to gather followings on the basis of appeal to tribal and ethnic loyalties. Particularly worth mentioning is the effort to call a *loyajirga* (assembly of all tribes) in Pakistan at the end of 1981; the effort failed totally.

62. John Fullerton, "The War With No Winners," *FEER*, December 25, 1981. Also see for similar observations, Trevor Fishlock's report, "The Rebels Out to Win with Guns and Prayers," *Times* (London), April 14, 15, 16, 1981.

Third, it is impossible that the differences between the fundamentalists and the traditionalists will be bridged completely. They have different histories, different objectives, different social bases, and different strategies for achieving their goal. The traditional elite comes from the formerly privileged class and commands a following on traditional patterns, while the fundamentalist elite comes from the detribalized cross-ethnic educated middle class, which struggled against both the established society and the communist influence. At best, one can hope for a temporary operational unity, and this has already been achieved.

Fourth, over the past three years, the resistance has shown that it is a very popular movement. Militarily, it has greatly improved its organization, fighting capability, and coordination. It is becoming an albatross around the Soviet Union's neck, though its leadership will have to develop a strategy to counter the long-term, multipronged Soviet strategy. It will have to achieve political flexibility, acquire sophisticated training techniques, and think of strategies to build international support for its cause if it is to survive in the long run.

What Is the Future of the Movement?

The answer to this question requires a careful and dispassionate analysis of the present scene, looking at a number of factors such as the probability for success of short-term and long-term Soviet strategies, the resistance movement's potential to effectively counter Soviet challenges and to build its own capability, and the most important and decisive factor, the policies of other governments towards the resistance.

At present, the situation can best be described as a stalemate. The resistance movement has convincingly demonstrated that it has the potential to combat the Soviets effectively, provided that supplies continue to arrive at a steady pace. However, there are some signs of developments that favor the Soviets. In some areas they have succeeded in buying the loyalties of the local population with a mixture of political and economic rewards;⁶³ in others they have terrorized the local population to prevent their helping the guerrillas.⁶⁴ The Soviets' tribal and nationality policy, backed up by heavy financial incentives, seems to have a chance of succeeding in the long run since certain tribes seem to be

63. "The villagers who keep the guerrillas out of their areas can choose their own leaders, administrators and even governors. They can ask for the money to build mosques and seek advice on their crops. . . . The Russians are buying themselves relative peace in some areas." See "Accept Us and You Won't Regret It," *The Economist* (London), February 27, 1982.

64. Guerrillas left Kandhar on January 27 on the request of the population for fear of Russian massive bombing. "A Short Dangerous Walk in the Soviet Kush," *FEER*, December 24, 1982.

susceptible to the Soviet overtures. Similarly, the Soviets have had some success in building the militia by drafting Afghan youths. The Khad and the KGB have also been partially successful in creating problems between the local population and the refugees on the one hand, and among the resistance groups on the other. The Soviets believe that time is on their side, and that they will wear down the resolve of the resistance movement and the international community over time. I believe that, along with pursuing the above-mentioned policies more aggressively, the Soviets will gradually increase their military forces in Afghanistan. Their recent campaign to publicize the Soviet war in Afghanistan appears to be an important indicator of this decision. The Soviet army seems to have developed a vested institutional interest in Afghanistan. As one Soviet political analyst put it: "They are learning the latest techniques, testing new weapons and giving officers and men experience of battle. They are showing their mettle and winning decorations and promotions."⁶⁵

The resistance movement appears to be holding against the Soviets in the short run, but its major problem is and will continue to be whether it can manage to obtain steady and effective supplies from other governments, and their cooperation at the diplomatic level as well. These governments, particularly the U.S., China, Pakistan, and Iran, want to contain the resistance at a certain level.

The U.S. policy towards the Afghan struggle has so far lacked any marked enthusiasm in favor of the Mujahideen in general. It has concentrated primarily on the limited objective of raising the costs of Soviet occupation. Beyond that, the U.S. appears generally lukewarm towards the resistance groups. One major American policy-making dilemma seems to be that the U.S. wants to support the traditionalist groups, but these do not have the necessary fighting strength. And while the fundamentalist groups command more following, the U.S. seems unwilling to develop any effective rapprochement with them on the basis of mutually recognized interests. The fundamentalists' attitudes towards the U.S. differ. Hikmatyar is strictly against accepting any aid from the U.S., while Rabbani, Sayaf, and Khalis recognize the necessity of unconditional aid. However, most of the moderate fundamentalist leaders generally complain that U.S. support of the resistance is far below their expectations.

China seems to have played an effective role in giving unconditional aid to the major resistance groups. It appears that China realized the importance and potential of the resistance movement at an early stage. How far the Chinese are prepared to go is unclear, though the major resistance groups hope that China will continue its interest.

65. See Joseph Kraft's report in *The Washington Post*, December 21, 1982.

Pakistan's decision as to whether to sustain or strangle the movement will be the most crucial one. The present regime, in general, and the military, in particular, are very sympathetic towards the resistance groups. Public opinion is strongly in favor of the Mujahideen. However, there is a strong group in the bureaucracy and also in some quarters of the military that wants to undermine the resistance and keep it deliberately divided and ineffective. They are supported by all proleft parties, from the Pakistan People's Party to the extreme wings of the National Awami Party. The Pakistan government has so far taken a middle line between the two groups. It has kept the resistance movement alive militarily, but has generally discouraged its objective of becoming a separate independent force at the diplomatic level. Apparently Pakistan hopes that the Geneva talks between Pakistan and Afghanistan, under the auspices of the U.N., will yield results in the long run. Zia ul Haq, detected a "freshness" in Andropov's approach towards Afghanistan.⁶⁶ I believe that the negotiations are, so far, merely a tactical game by the Soviets, played in order to buy more time to consolidate their position in Afghanistan and to keep the opposition groups disunited and confused about Soviet objectives. Only the effective coordination of policies and determined support to the resistance movement can ultimately make the Soviets agree to some meaningful talks on Afghanistan and lead to their phased withdrawal of troops from the country. Pakistan, keeping its security interests in view, has so far acted prudently, but it is difficult for Pakistan to maintain its policy in the long run if determined support for its policies is not available from the other countries. Observers fear that Pakistan may take the facade of negotiations seriously while the Soviets continue to subdue the resistance inside Afghanistan. They may then force Pakistan, left with no real bargaining lever, to accept their terms and conditions. Pakistan's position assumes all the more importance because the other Muslim countries—Saudi Arabia, Egypt, and the Persian Gulf states—generally seem to accept Pakistan's advice on Afghan matters.

Initially, Iran strongly condemned the Soviet invasion of Afghanistan and declared its determination to help the Mujahideen. Iran also provided limited military and diplomatic help to Afghan Mujahideen. However, with the exit of the moderate group from power, internal squabbles for power, and the war with Iraq, Iran's Afghanistan policy has changed and now seems to be guided by narrow Shia considerations. Iran's approach to the problem is reflected in a plan, revealed by Premier Hussain Musavi,⁶⁷ according to which Iran wants to establish an anti-

66. See "Zia's Andropov Gambit," *FEER*, December 10, 1982.

67. *The Tehran Times*, October 28, 1982.

American, Islamic Afghanistan. The plan aims at establishing "a union of Shia-Sunni Afghan Nationalities Republics." Neither the Muslim countries nor the Soviet Union has shown any interest in the plan. The Mujahideen are cool to it and are greatly disappointed in Iran's policy, even though the Iranian government press continues to give sympathetic coverage to Mujahideen activities.

In my view, the future of the resistance movement in Afghanistan and of the Southwest Asian region hangs in the balance, and depends on the coordination of the policies of the interested parties. If their present policies continue, the future of the Afghan resistance movement is bleak, and frightful consequences for the region in general, and Pakistan and Iran in particular, may follow.

PAKISTAN'S SIXTH PLAN

Helping the Country Climb Out of Poverty

Shahid Javed Burki

It is possible to be optimistic and pessimistic at the same time about Pakistan's economic future. Pakistan's gross domestic product could increase at the rate of 6–7%—even 8–9%—per annum in the next decade and a half. Rates of growth close to these were achieved in the past, in the 1960s and again in the early 1980s. If this could happen again and if the economy could grow at the rate of 7% per annum, the year 2000 could see Pakistan graduate to the category of middle income countries with a per capita income of \$750 in 1984 prices. It is equally plausible for the next fifteen years to see the ups and downs that have so marked Pakistan's economic history occur again with the same frequency. If that were to happen, Pakistan would remain where it is today—among the relatively more prosperous low-income countries, with an economy performing much below its potential because it failed to find a way out of some of the difficult problems that have confronted it for so many years.

In an earlier article,¹ I analyzed Pakistan's economic performance from a historical perspective and concluded that the wild fluctuations of the past were the result of two circumstances: first, the inability of successive governments to adopt a consistent approach toward economic development; and second, some rather dramatic changes in the country's external

Shahid Javed Burki is Director of the International Relations Department of the World Bank, Washington, D.C. The author is indebted to a number of friends and colleagues for their helpful comments on the earlier drafts of this paper and would like to thank, in particular, Tariq Husain, Sarshar Khan, Callisto Macavo, and T. N. Srinivasan for their comments. The views presented here are my own, however, and are not necessarily shared by those who have commented on the article. These views should also not be taken as being representative of the World Bank.

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1. Shahid Javed Burki, "Pakistan's Development: An Overview," *World Development*, 9:3, (1981), pp. 301–314.

economic environment. The decade of the 1950s was economically sluggish since, mostly for political reasons, the agricultural sector did not receive the attention it deserved. Also, the breakdown of the customs union with India resulted in excessive emphasis being placed on industrialization. The export boom associated with the Korean War was the only positive thing to have happened during this period, but it proved too short-lived to have a lasting impact.

The 1960s saw a remarkable turnaround in the performance of the economy because the Ayub Khan government, partly in response to political imperatives, began to emphasize the development of the agricultural sector. There was also a dramatic improvement in the external situation in the sense that the close links developed with the United States during this time period generated a sizable stream of foreign capital flow. The 1970s saw a profound change in the external economic environment produced by the cooling off in relations with the U.S. and a sharp deterioration in terms of trade occasioned by the increase in the price of oil. At the same time, the economy was drastically restructured in order to deliver on Zulfikar Ali Bhutto's promise to place all important sources of production under public control. The early 1980s, not unlike the 1960s, witnessed both an improvement in the external situation as well as greater reliance on private initiative and enterprise. The response of the economy to these changes in the external environment and internal management causes one to be optimistic about the future.

Preconditions of Growth

This optimism is reflected in the latest five year plan,² the sixth of the series and the first one to be adopted by General Zia ul Haq's government. The plan will cover the 1983-88 period during which Pakistan's gross national product is expected to increase at the average annual rate of 6.5%. If this happens, and if population during this period increases by 14.5%—from 90 million in 1983 to 103 million—then in 1988 Pakistan's per capita income could increase to \$460 in 1982 prices. At that level of income, Pakistan would have finally graduated from a low income to a middle income country.

If a 6.5% rate of increase in the gross national product is achieved over the Sixth Plan Period, Pakistan would have sustained what is probably its structural growth rate for more than a decade, from 1977 to 1988. If this happened, 1977-88 would have the longest uninterrupted high growth

2. Government of Pakistan, *Sixth Five Year Plan, 1983-88* (Islamabad: Planning Commission, 1983).

rate period in the country's history. What are the preconditions for achieving this?

Two of these—internal political stability and favorable external economic environment—were referred to above and have been discussed in detail elsewhere.³ It is difficult to predict whether the external economic environment will remain hospitable in the future and whether the people will be able to find workable solutions to their many domestic political problems. But there are several other preconditions that must also be fulfilled to sustain a high GDP growth rate into the future. Four of these—a profound transformation of the agriculture sector; a significant improvement in the quality of human resources and, consequently, a decline in the human fertility rate; further improvements in the condition of poverty; and an increase in the domestic savings rate—will have to be fulfilled for the promise of the Sixth Plan to be realized.

Agriculture: The Lead Sector

Despite some very significant changes in Pakistan's economy, agriculture remains the largest sector. Since 1947, when it accounted for 53% of the gross domestic product, other sectors of the economy, in particular manufacturing, have grown much more rapidly so that agriculture today contributes only 29% to the domestic product. But even with this diminished position, it is the sector that will set the pace of growth in the years ahead. The important question is the direction in which the sector itself must go, and here there are differences among the experts.

Until now food-grain production has been the most important activity in the agricultural sector, and its importance has tended to increase over time. In 1947–48, for instance, food-grain crops were grown on 6.5 million of the 9.3 million hectares of land under crop cultivation—nearly 70%. In the period since then, while the cultivated area has increased to 14.5 million hectares, that devoted to food grains has increased at a faster rate, to 10.2 million hectares. This means that in the early 1980s, nearly 80% of the total cultivated land is planted in food grains.

Since the late 1960s, Pakistan has followed a simple strategy for increasing agricultural output. The major sources of water for reliable agriculture are the rivers of the Indus system: the mighty Indus with its right-bank tributary the River Kabul, and the four rivers on the left, Jhelum, Chenab, Ravi, and Sutlej. The flows in these rivers fluctuate greatly; on the Jhelum, for instance, variation from its mean runoff is

3. See Shahid Javed Burki, *Pakistan: A Nation in the Making* (Boulder, Colo.: Westview Press, forthcoming).

between 65% and 135% of normal. For these rivers to become reliable sources of irrigation water, they had to be tamed—a process that began more than a hundred years ago but gained momentum as a result of the dispute with India over the division of the flow in the eastern rivers. Accordingly, Pakistan's agriculture strategy included investment in such large-scale irrigation projects as the construction of Tarbela and Mangla dams; construction of an intricate system of canals that, by linking the main rivers, transfer water from the western to the eastern rivers; sinking of large tube wells to drain water from the land that was rapidly becoming waterlogged and, therefore, saline. The strategy also acquainted all classes of farmers with the new high-yielding technology associated with the green revolution; provided generous subsidies on such inputs as irrigation water, fertilizer, and pesticides; and gave assurance of high government prices for wheat, rice, and sugarcane. Remarkable results were produced by this strategy; the production of food grains has increased nearly threefold over the past 16 years. In 1966–67, the year before the introduction of the high-yielding food technology, food-grain output was estimated at 7.6 million tons. By 1982–83, grain output had increased to 17.8 million tons, a growth rate of 5.5% per annum. The rate of increase for the main food crops, wheat and rice, was even higher at 6.4% per year. This is an impressive performance for the agricultural sector, perhaps the highest rate of growth anywhere in the world in a system as large as Pakistan's over such a long period of time. The result is that Pakistan today has become a sizable exporter of rice—more than one million tons were exported in 1982–83—and it has also begun to export wheat. The question then is whether this strategy should be continued into the future.

Although expensive in terms of the commitment of public resources, such an approach could be continued. If it were, the output of food grains could increase at the rate of 6–7% per year, producing a total of 28 million tons, of which wheat would account for 20 million tons, rice 5.5 million tons, and course grains the remaining 2.2 million tons. This level of output would be far more than the domestic requirement for a population that would be 20% larger than that of 1982–83, consuming on an average 6% more grain per capita than it does at present. This would leave Pakistan with a surplus of 6–7 million tons of wheat and rice. Could such a surplus be sold abroad?

Pakistan will not have any trouble finding the markets for this amount of surplus food grains. The import of food grains by the eight countries of the Middle East has been increasing at the extraordinary rate of more than 15% per annum, from 4.6 million tons in 1974 to 12.5 million tons in 1982. Even if this rate of increase were to decline to 10%, by 1990 the

Middle East could be importing as much as 27 million tons, or 14–15 million tons more than its present import level. In other words, there is enough potential demand in the Middle Eastern countries with whom Pakistan has growing economic ties for it to be able to sell its entire projected surplus of 6–7 million tons. At present prices, this would mean additional export earnings of some \$1.5 billion by the year 1990.

Arithmetic such as this has tempted many people, including experts, to urge that Pakistan take this course—that it should turn its agriculture into a granary for the Middle East. Not very long ago, extremely impressed by the potential of Pakistan's agricultural sector, a Ford Foundation expert—in a paper appropriately titled, "Indus: The Great Grain Machine"—predicted that it was not entirely inconceivable for Pakistan to export 20–30 million tons of food grains per year before the end of the 1980s.⁴ The paper was written in the early 1970s when the price of grain had soared to over \$400 per ton. If that price level had been maintained in real terms into the late 1980s, and if the Indus grain machine had produced these kinds of surpluses, Pakistan could be earning \$20–\$25 billion from the sale of food grains alone.

But before such calculations seduce planners into adopting a grain-oriented strategy, two facts have to be considered very carefully. First, the cost of producing an additional ton of food grain in Pakistan should be compared with the cost to the farmers in the plains of North America, and, second, it is necessary to factor in the cost of creating the infrastructure that would have to be put into place before 6–7 million tons of such bulk commodities as wheat and rice could be transported from the fields of Sind and Punjab to Middle Eastern ports. On both counts the comparative advantage does not seem to be with Pakistan. To capture the Middle Eastern market, Pakistan will have to compete with the North American farmers who are now paid not to grow more wheat than the United States can sell in domestic markets and abroad. Even though U.S. agriculture is highly mechanized and is therefore energy intensive, it uses very little irrigation water. Pakistan grows its grain on irrigated land and the "social cost" of water is very high. In addition a vast network of roads, railways, silos, loading docks, harbors, etc., will have to be constructed to transport the surplus grain. Pakistan will also have to develop an active "futures" grain market to protect itself from price fluctuations that are so pronounced for all agricultural commodities. All this will be exceedingly costly. Therefore, the cost to the society of obtaining \$1.5 billion per annum in additional export earnings may

4. John Cool, "Pakistan: The Indus Grain Machine" (Islamabad: The Ford Foundation, 1973, Mimeographed).

indeed be very high, a multiple of the benefit that might ultimately accrue.

But if Pakistan needs to move with caution in further developing its agriculture, this does not mean that agriculture should not provide the lead in producing a high rate of economic growth. The economics of subsistence agriculture is very different from the economics of surplus agriculture. For as long as the country was deficient in food—from the early 1950s to the early 1980s—it made sense to concentrate on increasing the output of grain. But now that the prospects of producing large surpluses are good, the present cropping pattern needs to be reviewed and changed. Food-grain output should perhaps expand at the rate of between 3.5% and 4.0% per year, which would take care of the additional need of the growing population and also the addition in consumption that is required to close the nutritional gap. The rest of the agricultural output should come from other crops such as oil seeds, vegetables, pulses, fruits, and flowers. All of these are high value crops; they also require more labor than food-grain production and have the same kind of marketing possibilities in the Middle East as wheat and rice. In addition to these high-value crops, the country needs to emphasize the livestock sector for domestic consumption as well as exports. In other words, the planners' objective should not be to turn Pakistan into the Middle East's granary. Pakistan has the potential of becoming, instead, the Middle East's orchard, back garden, and animal farm.

The Sixth Five Year Plan's production targets for wheat and rice at 5.6% and 4.9% per annum, respectively, are somewhat less than the historical rates of increase, but considerably higher than those suggested above. Its targets for vegetables (14.4%); fruits (10.2%); meat, milk, and fish (5.1%); oil seeds and pulses (6.2%) are much higher than those achieved in the past. The Plan's strategy, if realized, would therefore produce results somewhere between those that would come about if the present trends persist into the future and those that would result from what appears to be the most productive use of the country's remarkable potential. That having been said, it is important to underscore that emphasis must continue to be placed on improving land productivity, which remains much below its potential.

To produce the optimum result—to produce even the less ambitious outcome embodied in the Sixth Plan's strategy—would require a profound change in the cropping pattern and by implication the social structure of the rural sector. Rural production sectors are the outcome of centuries of evolving relationships between different groups and classes of people. Anthropologists and sociologists have understood this more than economists. Agricultural involution in Java—the growth of a

pattern of production centered on small farmers and small plots of cultivated land—is the subtle consequence of the interplay of demographic, social, economic, cultural, and ecological forces. The nomadic cultures of the Middle East and North Africa have developed for similar reasons. Economics alone cannot change them; for the same reason, economics will not alter the food-grain-centered agricultural system of the irrigated area of Pakistan. Economic policies—the pricing of inputs and outputs, tariffs and exchange rates, taxes and interest rates, etc.—can begin to affect change but will not by themselves produce a brisk movement in the direction in which the country's agriculture must proceed. Among the additional efforts necessary, by far the most important is the development of Pakistan's extremely backward human resource. Social development would aid the adoption of rational economic policies to bring movement in the right direction.

The Importance of Human Resource Development

With average per capita income very close to the line that, according to the World Bank's latest reckoning,⁵ separates low income and middle income countries, Pakistan should have a relatively high level of social development. Instead, a number of indicators—infant and child mortality rates, the proportion of the population that is literate and educated, school enrollment ratios for male and female children, the fertility and population growth rates—suggest that successive governments in the past have given insufficient attention to social development. As shown in Table 1, the situation in Pakistan is, in many cases, even worse than that faced by countries with much lower per capita incomes. This situation needs to be changed not only for humanitarian reasons but also because social development is one of the important preconditions for sustained economic growth.

There is now agreement among economists that without social development it is not possible to break out of poverty and economic backwardness. A recent study of the development experience of more than 80 countries in the period between 1960 and 1980 comes to the conclusion that improvements in the literacy and health of the population contributed considerably to economic growth. It does not take a great deal of imagination to understand how social development helps economic growth. Improved female literacy, for instance, makes mothers aware of the importance of hygiene and balanced nutrition for their families. Cleaner and more airy homes reduce the incidence of respira-

5. The World Bank, *World Development Report*, 1983 (Washington, D.C., 1983).

tory diseases; clean water and utensils save children and adults from diarrhea and other forms of gastrointestinal diseases. Since gastrointestinal and respiratory ailments now account for the bulk of deaths among children,⁶ improvements in sanitation and nutrition should bring about a significant decline in infant and child morbidity and deaths. A reduction in the incidence of illness and also in child and infant deaths is important for two reasons. Families tend to compensate for the children they lose in infancy by additional births; therefore, high rates of infant and child mortality are very closely linked to high fertility rates. Childhood diseases that are prevalent in the developing countries have long-term debilitating consequences. Poorly nourished and sick children are slow learners; second-degree malnourishment, not an uncommon occurrence when children suffer repeatedly from gastrointestinal problems, seriously retards physical and mental development. Even if children escape death in early childhood, their ability to do sustained work during adulthood is seriously impaired. The economic cost to a society in which a fair proportion of the population has been thus affected can be enormous.

Female education has other important consequences. There is an inverse relationship between the level of female education on the one hand and the age and incidence of marriage on the other. More-educated women tend to delay marriage or not marry at all. Those who do marry tend to have fewer children and are inclined to space births more widely. Literacy among women, therefore, has a direct impact on total fertility—the average number of children born per woman. Reduced fertility reduces the rate of population growth; reduction in population growth results in increasing the rate of growth in per capita income.

There are other ways in which social development promotes economic growth. Literate farmers are more willing to adopt new technologies and are better able to use the inputs needed for increasing output; more-educated factory workers work better with machines and are also less accident prone; better-educated office workers are less likely to follow precedence and, therefore, more apt to innovate; education also teaches people thrift and develops the habit of saving for the future; education produces a higher sense of community belonging and, therefore, creates social consciousness. And so on. It is small wonder, therefore, that many societies that put a great premium on rapid economic growth also emphasize the education of both men and women.

For underdeveloped societies, it is important to recognize that unplanned, ad hoc social development is much more costly than that which

6. United Nations Children's Fund, *The State of the World's Children* (1982–83), (New York, 1983), p. 3.

TABLE 1 *Pakistan's Social Development Compared with Other Low Income Countries*

	Pakistan		India		Sri Lanka		Other Low Income Countries	
	1960	1981	1960	1981	1960	1981	1960	1981
<i>Health</i>								
Infant mortality rate per 1,000	162	123	165	121	71	43	163	124
Child mortality rate per 1,000	25	17	26	17	7	3	30	21
Life expectancy at birth	43	50	—	—	—	—	41	50
Population per physician	5,400	3,500	4,900	3,600	4,200	1,300	38,000	16,000
<i>Education</i>								
Primary school enrollment rate (%)								
Total	30	57	61	76	95	100	37	70
Male	48	81	80	90	100	103	50	83
Female	13	30	40	61	90	97	24	55
Higher education enrollment rate (%)	1	2	3	9	1	3	1	2
Adult literacy rate (%)	15	24	28	36	75	85	23	40

TABLE 1 *continued*

	<i>Pakistan</i>		<i>India</i>		<i>Sri Lanka</i>		<i>Other Low Income Countries</i>		
	1960	1980	1960	1980	1960	1980	1960	1980	1980
<i>Population</i>									
Crude birth rate	51	46	44	35	36	27	48	44	
Crude death rate	24	16	22	13	9	6	24	17	
Total fertility rate	—	6.4	—	4.8	—	3.5	—	6.2	
Contraception use (%)	—	6	—	23	—	41	—	—	
	1960-81	1980-2000	1960-81	1980-2000	1960-81	1980-2000	1960-81	1980-2000	
Population growth	2.9	3.0	2.2	2.0	2.0	1.9	2.5	2.9	
Stationary population (millions)	411		1,838		32				

is planned and deliberate.⁷ It is now generally recognized that a systematic effort aimed at the provision of education, nutrition, health, sanitation, and shelter is much less costly and much more productive than the situation in which improvements in these basic needs are left to chance and individual taste. It can be very wasteful to sink drinking water wells when those who use them do not fully appreciate the importance of handling this water with clean hands and in clean utensils; there is little need 'to stock dispensaries with medicines to cure gastrointestinal ailments when their incidence can be significantly reduced through hygiene and better nutrition; hygienic conditions do not improve when the provision of sanitary facilities is undertaken by individual households rather than by the community as a whole. There are, in other words, important synergisms between the provision of different basic needs; understanding them reduces dramatically the cost to the society.

The full import of the statistics presented in Table 1 can now be fully appreciated. It is precisely in such crucial areas of social development as female education and literacy that Pakistan is the weakest. Not only is the level of female literacy very low, the proportion of school-age girls attending classes at present is also exceedingly small. The 1981 census estimates female literacy at only 13%; the data in Table 1 suggests that despite an impressive increase in the number of girls attending school, the proportion remaining out of school is still very large—well over two-thirds of the total. The proportion of girls in school is not only half that of India's and one-third that of Sri Lanka's, it is also much lower than for other low income countries. Clearly, neither the people themselves nor successive governments have made a great enough effort to spread education among women in Pakistan. Culture and religion are often cited as important reasons for this neglect; whatever the reasons, the society will bear a very heavy cost for not paying sufficient attention to this aspect of social development.

It is not surprising that Pakistan has all the demographic characteristics of a country in which the female population remains socially very backward. Although the age at marriage has increased a little over the past two decades, girls still marry very young—the average age is only 17—and go on to produce many children; the fertility rate of 6.4 is among the highest in the world today. About 98% of the female population is married, and only 6% of these practice contraception. All these factors combine to produce a population growth rate that has steadily

7. Shahid Javed Burki, "Sectoral Priorities for Meeting Basic Needs," *Finance and Development*, 17 (March 1980), pp. 18–22.

increased over the years and is now estimated at 3.0% per annum. At the time of independence in 1947, Pakistan had a population of only 31 million; now in 1984 it is estimated to be over 90 million. By the end of the century, the population is expected to reach 145 million, at which point it will have surpassed Japan to become the ninth most populous country in the world. The country's population will keep on increasing all through the 21st century and into the 22nd. It is expected to stabilize at 410 million by the middle of the 22nd century. While the year 2150 is too far in the future for us to comprehend the full meaning in social, economic, and political terms of a population four to five times as large as today's, the year 2000 is not all that far in the future, and it is possible to speculate on the cost to the society of supporting 145 million people.

Perhaps the most spectacular impact of a rapidly growing population is seen in the growth of cities, including "megacities" with a population in excess of 10 million. There could be two such cities by the year 2000—Karachi with a population of 14 million and the Lahore-Gujranwala-Sheikhupura greater metropolitan area of some 11 million. In addition to these large cities, another six to eight—Faisalabad, Rawalpindi, Multan, Hyderabad, Gujranwala, Peshawar, and possibly Islamabad and Quetta—will have populations in excess of one million each. These ten cities together are likely to have some 30 million people by the year 2000, about the size of Pakistan's entire population at the time of independence. The demand that such a large urban population will place on the nation's resources will be enormous and difficult to ignore. Urban populations are politically more articulate, cohesive, and organized than their rural counterparts and, consequently, wield a much greater political weight. This results in a pronounced urban bias in the allocation of development and other resources. This bias is likely to be felt even more in Pakistan since it does not have mature political institutions that can help arbitrate between rural and urban interests. The pressure to commit a disproportionately large amount of development funds to urban improvement will come precisely at the time when (as discussed above) it is necessary for Pakistan to change profoundly the structure of its agricultural sector and to improve the level of social development for its large and rapidly growing population.

While the type of urban development forecast in Table 2 can no longer be avoided, what can be prevented is a further acceleration of this trend in the decades beyond the year 2000. To do that will require commitment of a great deal of government resources and attention to social development, in particular to primary education and education of women.

At present Pakistan has about 20 million school-age (5–11) children,

TABLE 2 *Growth of Urban Population* (millions)

	1960	1980	2000
<i>Total population</i>	45	82	145
Urban	10	24	58
Cities of over 500,000 persons	3	12	32
Cities of over one million persons	2	9	25
Megacities of over 10 million persons	—	—	25

10.5 million boys and 9.5 million girls. Of these, 11 million are attending school, 8.5 million boys and 2.5 million girls. A population of 145 million by the end of the century would mean 30 million school-age children, 15.7 million boys and 14.3 million girls. If universal primary education is to be achieved by then, as it must, school space must be found for three times as many children to attend classes as attend today. This implies a growth rate of nearly 7% per year in school space between now and 2000. The provision of classroom space for girls will need to increase at a much faster pace; to accommodate an additional 12 million girls in primary schools in the next 15 years would mean an annual increase in enrollment of some 11.5%.

These targets can be achieved, but they will need a commitment of financial and administrative resources to primary education that the country is not used to making. The Sixth Plan, in fact, has adopted an even more ambitious set of objectives. It proposes universal compulsory education, with all boys of the relevant age group being placed in class I by the middle year of the plan and all girls by the plan's terminal year; it further suggests five years of obligatory schooling by the early 1990s. Such an accelerated program would, of course, need an even greater effort than if these goals were to be met by the closing years of the century. To meet them would require a profound change in attitude on the part of the people and the government, and the political will to match commitment with intentions. Similar programs were adopted earlier but not carried out; for instance, only 55% of the Fifth Plan's intended allocation for education was actually realized. It is because of these failed programs that Pakistan, as compared with some other developing countries, allocates a very low percentage of its gross domestic product to the education sector. But the result of meeting the target of universal primary education in five rather than fifteen years would be equally profound. It could reduce quite dramatically the rate of population growth

and stabilize the population at 275 million rather than 410 million; it would also produce a much smaller urban concentration so that both Karachi and Lahore would stop short of attaining the status of megacities.

The Level of Absolute Poverty

Pakistan is in the odd position of being a poor country with a low level of social development but not a great deal of poverty. But the Brandt Commission included Pakistan in the two poverty belts it identified—one of these running north-south across Africa and including all sub-Saharan countries, and the other beginning with Afghanistan, stretching across South Asia and into Kampuchea, Vietnam, Laos, and Indonesia.⁸

These belts have a number of common economic and social characteristics: More than half the population of the countries included live in absolute poverty, and a very large number of the absolute poor are in the countryside earning meager incomes as small farmers or landless workers. And since by widespread agreement people are absolutely poor if and only if their resources are too few to meet basic needs, and since food is by far the most basic of these needs, the absolute poor are seriously undernourished. If the absolute poor do not have the resources to feed themselves adequately, they do not have access to other essential needs—clothing, shelter, sanitation, and education. The most important manifestations of poverty are sickness, disease, and premature mortality.

But absolute poverty in the poverty belt areas is not confined to the countryside. Urban poverty is said to be particularly prevalent in South Asia where the incidence of poverty is estimated to be higher in urban areas—particularly in the large cities—than in rural areas. The urban poor of Asia are also more visible: tens of millions live in highly congested tenements in some dozen large cities or sleep in the open on street pavements. They seldom have regular jobs to go to during the day; the vast majority eke out a very meager living from self-employment in the informal sector of the economy. Although nearly a third of the population of Asian cities is said to be absolutely poor compared to about one-half in the countryside, the cities continue to receive rural migrants. The growth rate of Asian cities is twice as high as that of the rural areas.

Although the Asian poverty belt runs right through Pakistan, the above description of Asian poverty does not seem to apply to Pakistan. If what is true for the rest of Asia were also true for Pakistan, then some 45 million of its people should be living in absolute poverty—15 million in the cities and 30 million in small towns and villages. To those familiar

8. The Brandt Commission, *North-South: A Program for Survival* (Cambridge, Mass.: The MIT Press, 1980), p. 78.

with the large cities of South Asia—Bombay, Calcutta, Delhi, Dhaka, Chittagong, and even Colombo—pavement dwellers, transient people with no permanent homes, are a familiar sight. Such people do not dot the Pakistani cityscape; a night census conducted recently in the city of Karachi counted only 18,000 pavement dwellers in the entire city. There are other signs of Asian poverty that are not easily visible in Pakistan. Anthropometric surveys done in South Asia suggest that more than half the children have less than normal height and weight. While similar surveys carried out in Pakistan also show some signs of malnutrition, potbellied children with large, prominent eyes are not a common sight in the country's cities and villages. To even a casual observer, sensitive to the sights common in the poor countries of Asia and Africa, Pakistan today does not seem to be very poor. Lack of literacy, in particular the very low levels of female school enrollment, is the only prominent social characteristic that Pakistan seems to share with the other countries of the Asian and African poverty belts.

Why is Pakistan in this unique situation of being a poor country without visible signs of much poverty? And if Pakistan has indeed succeeded in eliminating the worst forms of poverty, then when did this happen, how did this happen, and how much of this was due to deliberate government policy?

For the present there is little hard evidence that would provide firm answers to these questions, but it is possible to speculate. Pakistan was perhaps as poor as the rest of poor Asia up to the closing years of the 1960s. At that time the green revolution began to take hold in the countryside, and benefits went not only to the large landlords—as is sometimes asserted—but were also distributed much more widely to reach all classes of people, including the landless poor. The economic boom in the Middle East began within half a decade of the start of the green revolution, and its impact on income distribution has been pronounced. Consequently, and without much help from the governments of the day, Pakistan appears to have reduced the incidence of absolute poverty by a significant amount. This is not to say that Pakistan does not have people living in absolute poverty, for it does—and perhaps millions of them—but this proportion is not as large as in other poor countries of Asia and Africa. The poor in Pakistan do not constitute as much as 40–50% of the population as perhaps they did in the 1950s and 1960s; in the early 1980s, their proportion is much less, no more than 10–15%. Even with this lower proportion, the country still has 10–13 million absolute poor, a large number for a country of Pakistan's size and economic potential. It is important to understand, therefore, how the incidence of poverty might have been reduced from about 40–50% to

10–15% in a period of less than two decades and how further progress can be made.

The first impulse came from “the green revolution,” a term applied to the large-scale use of high-yielding wheat and rice seeds by the farmers in Asia and the Middle East. These seeds, developed in Mexico and the Philippines, produced considerably higher yields if a sufficient amount of fertilizer was used in conjunction with them. Application of more fertilizer is possible only if an abundant and timely supply of irrigation water is also available. Accordingly, green revolution technology was adopted by the farmers who had easy access to irrigation water as well as chemical fertilizer, and this usually meant larger farmers. In the case of Pakistan, however, the first wave of entrepreneurs came from neither the large nor the small farmers; the high-yielding seed technology was initially adopted by a new breed of middle-sized agricultural entrepreneurs who were exceptionally close to the Ayub Khan government. Ayub Khan himself belonged to this social class, and his government did a great deal to help them bring commercial farming to agriculture.

The leadership provided by the middle-sized farmers was very important; had the technology been adopted initially only by the large landlords—and there were many of them at that time in Pakistan—it would not have spread as rapidly as it did.⁹ The close economic relations that middle farmers had with small cultivators helped and, according to the agricultural census of 1972, by the beginning of the 1970s, more than half the area under wheat in all sizes of farms was using the high-yielding varieties. The small farmers devoted less land to high-yielding rice—just over one-fifth as against just less than half by the large farmers—but in terms of income per acre of land they were almost as well off since they grew a great deal of the high value *basmati* rice.

Small farms are generally more productive than large farms; they use more labor per unit of land and are also more carefully managed.¹⁰ This productivity difference in Pakistan seems to have widened as a result of the green revolution. Just before the advent of the green revolution, net

9. This argument was developed by me in an article, “The Development of Pakistan's Agriculture: An Interdisciplinary Explanation in Robert Stevens et al. (eds.), *Rural Development in Bangladesh and Pakistan* (Honolulu: The University Press of Hawaii, 1976), pp. 290–316, to which a rejoinder by Hamza Alavi, “Elite Farm Strategy and Regional Disparities in Agricultural Development” in Hasan Girdizi and Jamil Rashid (eds.), *Pakistan: The Roots of Dictatorship* (London: Zed Press, 1983), pp. 291–307, appeared later. Alavi's argument is that the landed aristocracy was the prime beneficiary of the green revolution in Pakistan.

10. The data on the impact of the green revolution is from Ghaffar Chaudhry, “Green Revolution and Redistribution of Rural Incomes: Pakistan's Experience,” *Pakistan Development Review*, 21:3 (1983), p. 13.

income per acre for small farms was twice as high as that for large farms; by 1970–71, this differential had widened to almost three to one. In the five-year period up to 1970–71, productivity of small farms increased at the annual rate of 17% as against 8% for large farms.

An increase in productivity alone need not result in improving income distribution between different classes of farmers if, as is sometimes suggested for Pakistan, introduction of new agricultural technologies leads to the concentration of land in the hands of large landowners. Once again, the available evidence suggests that there might, instead, have been some redistribution of land in favor of the small and middle-sized owners. For instance, in 1960 only 3% of the land was farmed by the smallest 30% of the farmers while 75% of the land was farmed by the largest 30%. A structural change of significant proportions appears to have occurred between 1960 and 1972 when the land share of small farmers increased to 6% and that of large farmers declined to 67%. The middle-sized farmers were the principal beneficiaries of this change with the area they farmed increasing from 22% to 27%. This confirms further what was said above about this group of farmers having been the initial adopters of the new agricultural technology. Their aggressive entrepreneurship resulted in a significant increase in the total area farmed by them. Although a much-heralded land reform was undertaken by Ayub Khan in 1959, this redistribution was not due to public policy but was largely the consequence of land sales by large landlords.

Landless workers also appear to have benefited from the green revolution. Evidence points to considerable improvement in rural wages brought about by labor shortages. The feared displacement of workers by the mechanization of some agricultural activities did not occur; or if it occurred, enough new job opportunities were created to absorb the workers made redundant by mechanization. The small-scale industrial sector working to produce inputs for the agricultural sector and also processing agricultural output was particularly important in absorbing the surplus labor.

The green revolution, therefore, played an important role in improving the poverty situation, particularly in the agricultural heartland of Pakistan—the irrigated districts of Punjab and Sind. For the poorer districts that depended on *barani* (rain-fed) agriculture, help came from another source—the economic boom in the Middle East.

By 1984 nearly two million Pakistanis were working in the Middle East, but this pool was assembled over a period of just over a decade. Construction workers from the northern area of Pakistan—from the *barani* areas of the Punjab, the Northwest Frontier Province (NWFP), and from the Federally Administered Tribal Areas (FATA)—constituted

the first wave of migrants. A large number of them were recruited by American and European construction firms who had been engaged in the building of massive irrigation works in Pakistan and were very familiar with this labor. This was a relatively more organized form of migration in which workers moved into labor camps close to construction sites for a defined period of time. The second wave was much less organized; it started in 1979 at the time of the second sharp increase in the price of oil, and involved unskilled, semiskilled, and highly skilled workers. By then the construction boom was over; by then also the Middle East economies were much more mature and in need of people with many different skills. Riding the second wave of migration were the workers needed to maintain the large physical and economic infrastructure the Middle East countries had by then built. Carpenters, plumbers, and electricians migrated in large numbers as did doctors, engineers, accountants, bankers, nurses, teachers, office clerks, and typists. What the first wave of migration accomplished for the rural economy, the second wave now achieved for Pakistan's towns and cities. In both cases the migrants sent back their large savings to help their families, lifting them out of poverty or near-poverty into relative affluence.

In the absence of complete and reliable data, one must engage in informed speculation to gauge the impact of migration and resultant remittances on poverty in Pakistan.¹¹ Since the pool of migrants was built over a period of ten years and since people have moved in and out of it, the total number involved were many more than two million—the present size of the migrant population. Over time, the migration involved perhaps as many as 3.5 million people, or just over three million households since it has been common for one family to send more than one worker. A very large proportion of these households—perhaps as many as two-thirds—came from the poorer segments of the society and from the poorer families who exported labor; about 75% were from the less-developed northern areas of Pakistan. These areas—the NWFP, the FATA, and the unirrigated part of Punjab—have a total population of about 25 million divided into four million households. Of these, two million are relatively poor. If the above figures are correct, some 1.5 million of these 2 million families exported workers to the Middle East at one time or another.¹²

The workers in the Middle East have remitted some \$15 billion over the past ten years; if only a fourth of this remittance was received by the

11. Shahid Javed Burki, "What Migration to the Middle East May Mean for Pakistan," *Journal of South Asian and Middle Eastern Studies*, 3:3 (Spring 1980), pp. 47–65.

12. Government of Pakistan, *Pakistan Economic Survey 1982–83* (Islamabad: Ministry of Finance, 1983).

poor families, it would still amount to \$2500 per family, which is equivalent to a 50% increase in household income. An increase of this magnitude over such a short period of time must have had a significant impact on the economic well-being of the recipient families. An increase of the same magnitude occurred for the poor families in the cities that contributed workers to the two streams of migration.

It appears, therefore, that without making a great deal of deliberate effort, Pakistan significantly reduced the number of people living in absolute poverty. It is possible to speculate about the reasons that made this possible. The green revolution had a much more profound distributive impact than it is generally credited with; the rapid development of the small-scale industrial sector that went unnoticed for a long time and was, possibly, aided by the growth of the agricultural sector also helped the poor; the very rapid rate of interprovincial migration, in particular migration from the crowded villages of Punjab and the NWFP to Sind and Baluchistan, must have reduced the pressure on land in the labor surplus provinces; and, finally, the migration to the Middle East not only provided the poor who migrated with very high levels of incomes but also set into motion a process that is still not well understood but which came to the rescue of those poor who stayed behind.

A great deal of analysis needs to be done in order to confirm these speculations; such work should also help to formulate policies for the future. As a result, the poverty situation in Pakistan for the moment appears to be much better than in other South Asian countries, but the circumstances that have made that possible are not irreversible. The migration to the Middle East could stop or even reverse itself, the agricultural sector may fail to go through the structural change needed in order to produce further increases in income, and interprovincial migration may slow. And, the present high fertility rates may continue into the future, adding millions more to an already large population. There is good reason, therefore, to focus on poverty alleviation as an important objective of future developments even at a time when poverty seems to be less of an issue than in other countries of South Asia. To some extent the Sixth Plan has this emphasis.

Resources for Growth

The success of the Sixth Plan will depend on the country's ability to find resources for the intended structural change in the economy. Agriculture is to be profoundly transformed from a subsistence to an export-oriented sector; education, in particular female literacy, is to be given very high priority; the needs of the rapidly expanding urban population are to be met; and the deterioration in the physical infrastructure that has gone on

for some time is to be stopped and reversed. All this will require expenditure of an enormous amount of resources, and the bulk of this must come from domestic sources.

In the past Pakistan has relied to an extraordinary extent on external resources for development, and for a number of fortuitous reasons these were always available in some form or other. The export boom associated with the Korean War provided resources needed for importing capital and equipment when Pakistan began its first industrial effort in the early 1950s. Large flows of highly concessional capital from the World Bank and the U.S. made possible the halcyon days of the 1960s; the Middle East connection and the migration of workers to the oil-exporting countries laid a new pipeline through which both aid and remittances flowed in large amounts in the 1970s; and now in the 1980s the revival of American interest in Pakistan and the continuing flow of remittances from the Middle East has ensured for the time being the availability of foreign resources for development. Even though all this is welcome, it is obvious why the economy's future must not depend upon expectations of continuous good fortune. The political volatility of the geopolitical area in which Pakistan is located makes it all the more important to rely more on resources generated internally than on those obtained from the outside.

It is the intention of the Sixth Plan to rely more on domestic effort, but the hope expressed therein is not different from that of the previous plans. The problem of a very low domestic savings rate—only 5% of the gross domestic product—has long baffled planners in Pakistan; this is low even by the standards of the very poor countries. The rate for India is 20%, for China 28%; it averages 8% for the countries of sub-Saharan Africa. In order to achieve the very ambitious objectives of the Sixth Plan, the country will have to make a serious effort to improve on the savings performance and to raise resources at home. There are two aspects of this effort: to close the foreign exchange gap and to increase domestic savings.

As shown in Table 3, the foreign exchange gap for the five years of the plan is estimated at \$27 billion, which is the difference between the expenditure on imports, interest payments, the repurchase of IMF shares, and increases in foreign reserves on the one hand and the earnings from exports on the other. Over 70% of this gap is expected to be financed from remittances received from Pakistanis working abroad and the remaining 30% by net public and private capital flows. The table also shows that the dependence on remittances for financing the foreign exchange gap will be much greater during the Sixth Plan than in the Fifth Plan. This is not a comfortable situation, given the precarious nature of

TABLE 3 *External Resources for the Fifth and Sixth Plans*

	<i>Fifth Plan (1978-83)</i>		<i>Sixth Plan (1983-88)</i>	
	<i>\$ billions</i>	<i>%</i>	<i>\$ billions</i>	<i>%</i>
Imports	-25.8		-40.3	
Exports	+11.5		+18.9	
Trade deficit	-14.3		-21.4	
Interest and other payments	-1.8		-3.8	
Increase in reserves	-0.7		-1.3	
IMF drawings	—		-0.5	
	-16.8		-27.0	
Workers' remittances	+10.3	61.3	+19.1	70.7
Net public capital flows	+3.6	21.4	+5.7	21.1
IMF drawings	+1.3	7.7	—	—
Net private capital flows	+1.6	9.5	+2.2	8.2
	+16.8		+27.0	

this flow. The question then is whether more emphasis should not be given to increasing earnings from exports. According to the Planning Commission estimates, export earnings are expected to increase from \$2.4 billion in 1982-83 (the last year of the Fifth Plan) to \$5.5 billion in 1987-88, the concluding year of the Sixth Plan. This implies an annual growth rate of 18% in nominal terms and 12% in real terms. But 1982-83 was a year of severe recession in the global economy when world trade decreased by 2%, the first decline since the Second World War. With the industrial countries having begun to recover from recession, some impact on exports to them from developing countries should be expected. Besides, the kind of agricultural strategy that Pakistan needs to pursue during the Sixth Plan should result in larger levels of agricultural exports in the years ahead. Therefore, it should be possible to plan on the basis of a smaller foreign exchange gap with a higher level of exports and, consequently, a smaller trade deficit.

A large external gap is not the only resource problem Pakistan faces today. The country will also need to mobilize domestic resources in order to realize the ambitious investment objectives of the Sixth Plan.

Domestic resource mobilization would mean increased savings by both the public and private sectors. The hope is to increase gross domestic savings from only 5% of the gross domestic product, the average for the five years of the Fifth Plan, to 7.2% for the Sixth Plan period. The strategy that can produce this increase has at least three components, the first of which is to shift the burden of investment on to the private sector, thus reversing the trend established in the early 1970s.

The large-scale nationalization of industries, financial institutions, schools, colleges, etc., undertaken during the 1970s led to a massive expansion in the size of the public sector.¹³ Many enterprises, once they were in the control of the public bureaucracy, lost efficiency and became "dis-savers." Accordingly, a considerable amount of public funds flowed into the nationalized sector. By creating an environment of uncertainty, the nationalization also discouraged new investment by the private sector. The Sixth Plan expects to reverse these trends by inviting the private sector to participate actively in all aspects of development. This shift in emphasis is reflected in projected outlays: during the Fifth Plan, of an outlay of Rs 232 billion (\$18 billion), the private sector's share was only Rs 73 billion (\$5.6 billion), 31% of the total. During the Sixth Plan, an outlay of Rs 495 billion (\$38 billion) is projected, Rs 200 billion (\$15 billion), or 40%, of this to be made by the private sector. But prescribing investment targets will not suffice to bring about the kind of structural change that is at the very basis of the Sixth Plan's strategy. Revitalization of private economic activity will occur only if potential investors finally decide that their investments will be not only productive but also safe. They will also need to have access to resources other than their own, which can happen only if the capital and financial markets are revived and allowed to develop. These markets were once very active but were virtually destroyed in the early 1970s; to revive them would mean that the government must avoid preempting the supply of private savings by offering incentives that private intermediaries are unable to match.

The second component in the strategy for raising domestic resources is the decentralization of these development activities that can be better performed by local communities. The Sixth Plan's emphasis on education and health has already been noted; excessive centralization of earlier initiatives in these areas was one reason why not much progress was made. Letting local communities play a much more active role in providing education, health, and other social services to the people should not only help these reach more people, but, by directly or indirectly charging those who can pay for them, would also generate more resources.

13. Ibid.

The third component of the strategy is to make the enterprises under public sector control raise resources for their own development. Instead of becoming dis-savers as in the past, these enterprises should be held responsible for generating internal savings in order to pay for future development. Some steps have been taken in this direction: A new performance accounting system has been initiated in public industrial enterprises, and some of the infrastructural development programs are being financed on a "pay-as-you-earn" basis.

Conclusion

The sixth plan will be implemented at a time that Pakistan's economy can go through some fundamental restructuring. If the plan succeeds, Pakistan would have been able to produce a growth rate of over 6.5% for more than a decade. This rate of growth sustained into the late 1980s would finally promote Pakistan from a low income to a middle income country, a change that should have occurred much earlier, perhaps as early as the mid-1970s. Of even greater importance is the restructuring that may take place in agriculture; from being a subsistence sector, Pakistan's agriculture may transform itself into a sector producing large exportable surpluses of high-value products. Such a transformation could set into motion economic forces and activities needed to provide productive employment to a rapidly growing population. With agriculture leading the way, growth with equity could become possible, and the country might be able to reduce further the level of poverty. The resources needed for accomplishing all this would themselves be produced by a structural change and adjustment in the way the country has managed its finances. The old dependence on external flows would need to be reduced, and it could be done by a combination of greater reliance on the private sector and greater decentralization of economic and social management.

All this may sound excessively utopian, but it is well within the country's grasp. Through a coincidence of circumstances, Pakistan has arrived at the situation from which it could finally break out into a pace of development that would carry it beyond poverty to relative affluence.

POLITICAL SUCCESSION IN THE REPUBLIC OF CHINA ON TAIWAN

_____ Maria Hsia Chang

In their efforts to anticipate events in Northeast Asia, scholars and analysts have closely scrutinized the signs and signals originating in Beijing and Moscow. Actions emanating from Tokyo, Pyongyang, Seoul, or Taipei have, in the past, been accorded comparatively less attention, although they might impact in critical ways on the relationship between China, the USSR, and the United States. Political decisions in Tokyo could significantly affect the economic and military capabilities of the United States in the West Pacific. A military adventure by an aging Kim Il-sung could involve all three major political actors in the Northeast quadrant of Asia in a catastrophic sequence of events. The internal politics in Seoul continue to exercise influence on the options available to Washington.

In all this the role of Taipei is often overlooked. While it is clear that the Republic of China (ROC) on Taiwan, "derecognized" by the world's major powers, has relatively little space in which to maneuver, there are a number of initiatives that Taipei might undertake that could easily destabilize the delicate political equilibrium of the entire region. Some of these options, however improbable and unattractive, include (1) a unilateral declaration of Taiwanese independence; (2) a decision to develop a nuclear capability; or (3) an effort to enter into some kind of accommodation with the Soviet Union.¹

However unlikely these options may appear at present, changes in the international environment may make them appear more attractive at

_____ Maria Hsia Chang is Assistant Professor in the Department of Politics and Government, University of Puget Sound, Tacoma, Washington. The author wishes to acknowledge the support and assistance of the Pacific Basin Project of the Institute of International Studies of the University of California, Berkeley, in the preparation of this article.

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1. See A. James Gregor and Maria Hsia Chang, "Taiwan: the 'Wild Card' in U.S. Defense Policy in the Far Pacific," in James C. Hsiung and Winberg Chai (eds.), *Asia and U.S. Foreign Policy* (New York: Praeger, 1981), pp. 131-146.

some time in the future. But more significant for our purposes is the recognition that the choice of one or another policy is often a function of change in political leadership. A leadership change in Taipei could significantly influence the probability of one policy being chosen over another. Just as the succession of Deng Xiaoping instead of Jiang Qing to the leadership of the People's Republic of China (PRC) carried a particular set of political policies in its train, the succession of one rather than another candidate in the ROC on Taiwan will influence future policy. Because Taiwan looms so large in Sino-American relations, any changes in policy emanating from Taipei could easily influence the political, economic, and security features of Northeast Asia. The question of who is to succeed Chiang Ching-kuo to the presidency of the ROC will be a question of regional, and perhaps, global importance.

The Problem of Succession

From the mid-1960s to the present, effective political leadership in Taiwan has been in the hands of Chiang Ching-kuo. From 1949 his father, Chiang Kai-shek, carefully groomed Chiang Ching-kuo for succession. Actively facilitated by his father, Chiang Ching-kuo constructed an impressive power base that was, and remains, both "broad" and "deep."² At the time of his succession in 1978, Chiang Ching-kuo had a firm base of support in all the major institutions and forces in Taiwan—the security system, the military, the youth, the party (Kuomintang [KMT]), the financial sector,³ and the government, as Premier of the Executive Yuan. Observers both within and outside Taiwan have credited Chiang Ching-kuo's subsequent effective exercise of political leadership to this power base,⁴ which led commentators, both sympathetic and unsympathetic, to describe Chiang Ching-kuo as constituting the very "center of [Taiwan's] political stability."⁵

Born in the ancestral town of Chikow in the province of Chekiang in

2. See Lowell Dittmer's "Bases of Power in Chinese Politics: A Theory and an Analysis of the Fall of the 'Gang of Four,'" in *World Politics*, 31:1 (October 1978), pp. 26–60.

3. See Ai Chung's "Tai-wan ti t'ê-wu hsi-t'ung [The security system of Taiwan]," in *Ch'i-shih nien-tai* [The Seventies], Hong Kong (hereafter *CSNT*), no. 103 (August 1978), pp. 55–56.

4. See, for example, the editorial, "K'u-mên ti chêng-chü [The depressing political situation]," in *Pa-shih nien-tai* [The Eighties], Taipei, no. 26 (September 1982); and Ch'ien Shou-chêng's "Tsa-t'an t'ung-i [On reunification]," in *Chung-pao yüeh-k'an* [Chung Pao Monthly], Hong Kong, no. 32 (September 1982), p. 28.

5. "T'ei-pei hua't'i [Talks on Taipei]," *Pa-shih nien-tai*, no. 26 (September 1982), p. 8, and Wu Ling-hu, "Shui-shih Chiang Ching-kuo ti chieh-pan jên? [Who will be Chiang Ching-kuo's successor?]," *CSNT*, no. 152 (September 1982), p. 72.

1910, Chiang Ching-kuo is now 74 and in failing health. As a consequence he has reduced his activities to only ceremonial functions and the most urgent leadership responsibilities.⁶ Reportedly, day-to-day political decisions are now in the hands of a five-man "crisis-management team," formed in the latter part of February 1982.⁷ In effect, the ROC may soon face a critical problem of succession.⁸

According to Article 49 of the ROC Constitution, on the death or incapacitation of the incumbent president, the vice president (now Shieh Tung-min) would succeed to the presidency. No one, however, has suggested that Vice President Shieh could serve as anything other than an interim placeholder.⁹ A native-born Taiwanese, his age is a detriment since he is three years older than Chiang Ching-kuo himself. Furthermore, given the prevailing domestic and international political circumstances, it is improbable that a serious effort would be undertaken to advance a native-born Taiwanese to the highest post in the government.

Most observers of Taiwan expect that Vice President Shieh, in the event of the untimely death of Chiang Ching-kuo, would serve as President until the next scheduled presidential election when the "real" successor will be chosen by the National Assembly. A case can be made, however, that the locus for the resolution of the succession problem will be in the dominant party of the ROC, the Kuomintang, rather than the National Assembly. In the first place, a large majority (85.8%) of the delegates to the National Assembly are members of the Kuomintang.¹⁰ Thus, when the dominant party has selected a successor, the election in the National Assembly itself will serve as a reaffirmation. Second, be-

6. Liu Chih-tung, "Sun Yun-suan shih 'chieh-pan' kuo-tu jên-wu [Sun Yun-suan is the transitional successor]," *Ming Pao* [*Ming Pao Daily*], Hong Kong, October 19, 1982, p. 3.

7. Wang Hsing-chien, "Chiang Ching-kuo ti ta-hsien yü Tai-wan chêng-chü [The death of Chiang Ching-kuo and the political situation in Taiwan]," *Ching Pao* [*The Mirror*], Hong Kong (hereafter CP), no. 59 (June 1982), pp. 25, 26; "Tai-wan ch'u-hsien chi-t'i ling-tao chi-hsiang [Taiwan shows signs of a collective leadership]," *Nan-pei chi* [*The Perspective*] Hong Kong, (hereafter NPC), no. 145 (June 1982), p. 80.

8. The first publication within Taiwan to engage in such speculations is *Tsung Hêng* [*The Encounter*]. Its July 1982 issue contained a 14-page article by Hsu Ts'è, on the succession problem, entitled "Shui-shih Chiang Ching-kuo ti chieh-pan jên? [Who is Chiang Ching-kuo's successor?]." Its August issue had a further article by the same author. Both issues had been "suspended" (*ch'a-k'ou*) by the Taiwan government, suggesting a certain degree of official sensitivity to public discussions on the succession issue. See "Tai-pei hua-t'i [Talks on Taipei]," *Ya-chou jên* [*The Asian Monthly*], Hong Kong, 3:4 (September 1982), p. 9.

9. See Liu Chih-tung, in *Ming Pao*, and Han Sheng, "Tai-wan chêng-t'an fêng-shên pang [Rising stars in Taiwan officialdom]," NPC, no. 144 (May 1982), p. 85.

10. Of the 1064 members of the present National Assembly, 913 are KMT members. *The Free China Journal* (Taipei), January 15, 1984, p. 1.

cause of the removal of the Republican government to Taiwan in 1949 as a result of the Communist victory in China's protracted civil war, general National Assembly elections have not been held since its first election in November 1947, though partial elections have been held in 1969, 1977, 1980, and 1983. Consequently, the original delegates from 1947 still make up the majority of the Assembly. This group, in the past, has demonstrated its fidelity to the political initiatives of the Kuomintang.¹¹ For at least these reasons, it is generally recognized that the succession issue in Taiwan will be resolved by the Kuomintang.¹²

All of this is complicated by the fact that Chiang Ching-kuo, unlike his father, has to date neither officially designated a successor nor has he undertaken to groom someone as his successor. We are left with a list of plausible candidates, culled from suggestions found in a wide variety of both public and private sources.

The Candidates for Succession

Among those regularly mentioned as possible candidates are (1) the son(s) of Chiang Ching-kuo; (2) General Chiang Wei-kuo, the incumbent president's brother; (3) one of a number of prominent Taiwanese in the national government; (4) Y. S. Chiang, Secretary General of the Kuomintang; (5) General Wang Sheng; and (6) Premier Yun-suan.

THE SON(S) OF CHIANG CHING-KUO

Chiang Ching-kuo's putative plan to groom one of his sons for succession was reported as early as March 1980 in a Hong Kong publication.¹³ Although such speculations may seem improbable to Western observers, Chinese commentators seem to take the subject quite seriously.¹⁴

Chiang Ching-kuo has six known offspring, four legitimate and two illegitimate.¹⁵ Chiang Hsiao-wên, the eldest of his three legitimate sons, has uniformly been described as being hopelessly disabled by disease. Thus, speculations on Chiang Ching-kuo's plans revolve around his two remaining legitimate sons, Hsiao-wu and Hsiao-yung. Chiang's second

11. A. James Gregor and Maria Hsia Chang, *The Republic of China and U.S. Policy: A Study in Human Rights* (Washington, D.C.: Ethics and Public Policy Center, 1983).

12. John Franklin Copper, "Chiang's Successor: Who's in the Running?" *The Asian Wall Street Journal*, September 28, 1982.

13. Huang Hsin, "Chiang Ching-kuo ti ch'uan-szu chi-hua [Chiang Ching-kuo's succession plan]," *CSNT*, no. 122 (March 1980), pp. 36-39.

14. At least six articles on this subject appeared in various Hong Kong publications between May and September of 1982.

15. Chiang had three sons and a daughter (Chiang Hsiao-chang) with his Russian wife, Chiang Fang-liang. He sired two illegitimate sons (twins) with Chang Ya-jo in his Kiangsi days, named Chang Hsiao-yen and Chang Hsiao-tz'u.

son, Hsiao-wu, has reportedly been groomed to take over Taiwan's security (*t'ê-wu hsi-t'ung*). He has also been described as being the executive secretary or the "supervisor" (*chien-tu*) of the National Security Bureau,¹⁶ which has the function of supervising the island's entire security system. In addition, Chiang Hsiao-wu is also rumored to be the director of a "certain" department in the Central Committee of the Kuomintang.¹⁷ All of this is perceived by Chinese observers to be portentous, since Chiang Kai-shek's grooming of his son for succession began with the appointment of Chiang Ching-kuo to the National Security Council (originally named the National Defense Council) in 1949.¹⁸

Chiang Ching-kuo's youngest son, Hsiao-yung, had become increasingly influential in Taiwan's financial sector and has also assumed responsibilities in the ideological training of party members.¹⁹ He has been reported as having been placed "in charge of" the Revolutionary Pragmatism Research Institute at Yangmingshan, operated by the KMT Central Committee to provide ideological training to high-level party cadre.²⁰

In spite of the obvious gravity with which Chinese observers regard such "signs" of Chiang Ching-kuo's intent to prepare for a "dynastic succession," it is difficult to find such reports credible. None of Chiang Ching-kuo's sons is a member of the party Central Committee, not to speak of holding membership in the important Standing Committee of the Central Committee. The positions that Chiang Hsiao-wu and Hsiao-yung are reputed to hold in the various security, party, and financial organizations are seldom identified with any specificity. They are vaguely referred to as involving "supervision" or "control." Furthermore, there is no agreement on whether Hsiao-wu or Hsiao-yung is to be their father's successor.²¹ In fact, as prospective successors to the presidency, the sons of Chiang Ching-kuo are so little known that even their names are confused in these accounts.

Speculations of a dynastic succession are probably products of a long

16. Chiang Nan, "Wang Sheng ti tso-shên yü-hsing [Wang Sheng's foolish efforts to create an idol]," *CSNT*, no. 143 (December 1981), p. 16; and Wang Hsing-chien, in *CP*, p. 25.

17. Han Shêng, in *NPC*, p. 84.

18. Ai Chung, in *CSNT*, p. 55.

19. Huang Hsin, in *CSNT*, pp. 37-38; Han Shêng, in *NPC*, pp. 84-85; Wu Ling-hu, in *CSNT*, p. 74.

20. Huang Hsin, in *CSNT*, pp. 37-38; Wang Hsing-chien, in *CP*, p. 25.

21. Han Shêng (in *NPC*) believes that Chiang intends his second son, Hsiao-wu, to be his successor, while Huang Hsin (in *CSNT*) believes that Hsiao-yung, the youngest son, has been so targeted.

historical memory. Chiang Ching-kuo's succession to his father's post in 1978, only 67 years after the overthrow of the monarchic system, encouraged cynical reflections on "another dynasty." Given this history, it is not surprising that, among some circles, the possibility of yet another "dynastic succession" is not hastily dismissed.²² However, even if Chiang Ching-kuo does harbor such intentions, it is most unlikely that they would be realized.

Chiang Kai-shek had forty years to groom his son, and the latter was 68 years old when he succeeded to the presidency. Both Hsiao-wu and Hsiao-hung are only in their thirties and have not established a political base remotely comparable to that which brought their father to power.²³ A more serious impediment to a dynastic succession is the significant progress Taiwan has made in its political, social, and economic development in the past thirty years. The Taiwan of today is a far more pluralistic and competitive system than the Taiwan of the recent past. Any effort to effectuate a "dynastic succession" would not only be a mockery of the democratic principles the Republic now professes, but would surely precipitate significant resistance.

CHIANG WEI-KUO (WEGO)

Among the names that have been mentioned as possible candidates to succession is the President's half-brother, General Chiang Wei-kuo, who was born in 1916 in Shanghai. The rationale for his candidacy involves the following reasoning: when Chiang Ching-kuo realizes that it is impossible to have his son(s) succeed him, he will turn to his half-brother in an effort to "keep political power within the family." According to an alternative line of reasoning, Chiang Wei-kuo may become a compromise candidate in the event of a bitter and drawn-out internecine struggle for succession among the party's various factions. In this scenario the various factions would decide to settle for Chiang Wei-kuo, who has the requisite family name to be their compromise candidate.²⁴

Such speculations notwithstanding, it is unlikely that Chiang Wei-kuo will succeed his brother. In neither of the last two KMT National Congresses—the 11th in November 1976 or the 12th in April 1982—was Chiang Wei-kuo elected to either the Central Standing Committee

22. See the editor's remarks on p. 85 of Han Shêng's article in *NPC*; and the inset on p. 83 of Liu Hsiu-wên's "Kuo-min tang ling-tao chiai-ts'êng ch'êng-hsien lu-shên wu-chu [The Kuomintang leadership level shows signs of a lack of leadership and direction]," in *NPC*, no. 145 (June 1982), pp. 82–83.

23. Wu Ling-hu, in *CSNT*, p. 74.

24. *Ibid.*

or the Central Committee of the party. Instead, he continues to be a member of the Central Advisory Committee.²⁵ An inspection of the membership of past Central Advisory Committee, and of the career paths of Kuomintang elites, suggests that membership in this Committee serves largely honorific purposes, being reserved either for aged party members who had served the party well in the past or for those who have been politically marginalized. Membership in the Advisory Committee would seem to remove one from the decision-making power center of the Kuomintang. Finally, although Chiang Wei-kuo had been groomed by his father for a military career, and his career record shows a consistent history of military posts, the position he now holds is a relatively modest one—Commander-in-Chief of the Combined Service Forces.

All of this suggests that Chiang Wei-kuo is not a prominent candidate. This does not mean, however, that he can be lightly dismissed. Chiang Wei-kuo does seem to have at his disposal some considerable resources. His long years of military service have earned him the support of "a portion" of the military leaders in the ROC armed forces. He has maintained good relations with at least two factions within the Kuomintang—the Elders faction²⁶ and the Madame faction²⁷—both of which are reportedly alienated from Chiang Ching-kuo and would be supportive of Chiang Wei-kuo. And finally through marriage, Chiang Wei-kuo has contact with the Taiwanese business community, which also constitutes a potential support base.²⁸ Thus, although it is unlikely that Chiang Wei-kuo will become a serious candidate for succession, he possesses sufficient "political capital" to make him a factor with which other candidates will be compelled to deal.

A TAIWANESE CANDIDATE

Since native-born Taiwanese constitute 85% of the population of the ROC (the remaining 15% are Mainlanders, i.e., those who left China in 1948–49 and their offspring), it is understandable that many Taiwanese may feel that one of their own should succeed Chiang Ching-kuo and exercise the full range of presidential powers. Those who tender

25. See *Chung-yang jih-pao* [Central Daily News], Taipei, April 4, 1981, p. 1, and November 18, 1976, p. 1.

26. The Elders faction (*yüan-lao p'ai*) includes such eminent elders as Chang Ch'ün, Ch'ên Li-fu, and Ho Ying-chin, all senior advisors to the President, and members of the Presidium of the KMT Central Advisory Committee (average age: 89 years).

27. A reference to the personal clients of Madame Chiang Kai-shek.

28. Wang Hsing-chien, in *CP*, p. 26.

this suggestion advance a number of arguments to support it. In the first place, recognizing that the Taiwanese constitute the vast majority of the population of the ROC, a native Taiwanese president would serve to render the Republic more truly representative. It has been further suggested that the accession of a native-born Taiwanese to the presidency would further establish an independent identity for the island and thereby reduce the pressures that would have the island incorporated as a province of the People's Republic of China.²⁹ Such a hypothetical candidate would fall into one of two categories—he would be either a nonparty member—a “nonpartisan” (*tang-wai*)—or a Taiwanese who is a member of the Kuomintang.

It is unlikely that the nonpartisans would play much of a role in the future drama of political succession in Taiwan. The power and influence of the nonpartisans peaked in the latter part of 1979 when, under the direction of the *Formosa* magazine group, they had organizations in eleven of Taiwan's major cities and had come close to becoming an effective opposition party. But the nonpartisans suffered a major setback and lost most of their leaders in the Kaohsiung riot and the subsequent trial and sentencing. In spite of efforts to revitalize themselves, including their successes in the December 1980 elections, the nonpartisans in Taiwan today remain plagued with internal problems. They lack leadership and seem to offer no political orientation other than opposition to the Kuomintang.³⁰ They suffer from internal disunity, and there is evident friction among the various constituent groups.³¹ Finally, they appear to possess little international political sophistication.³²

In contrast, the succession possibilities for those native-born Taiwanese who are members of the Kuomintang are far more optimistic. Among such Taiwanese three men in particular have become nationally prominent: Lin Yang-kang, Lee Teng-hui, and Ch'iu Ch'uang-huan. All three are members of the 26-man Central Standing Committee of the Kuomintang (the all-powerful apex of the party), hold important positions in the national government,³³ and enjoy the confidence of Chiang

29. John Franklin Copper, in *Asian Wall Street Journal*.

30. Wu Ling-hu, in *CSNT*, p. 75.

31. Nan Fang-shou, “Tang-wai su-jên hai-wai chih-hsing ti i-i [The significance of the overseas trip of the four Non-partisans],” *Shih-pao tsa-chih* [*Sunday Times Chinese Weekly*], Taipei, (hereafter *SPTC*), no. 142 (August 22, 1982), p. 9.

32. Huang Chung (ed.), “Chêng-chih ch'üan [Political circle],” *SPTC*, no. 133 (June 20, 1982), p. 16.

33. Lin Yang-kang is the minister of the interior, and had been governor of Taiwan Province (1978–81) and mayor of Taipei (1976–78). Lee Teng-hui is the governor of

Ching-kuo, who has cultivated them as part of his program of liberalization after the fairly widespread political dissension of 1971-73.

In spite of the evident competency and attractiveness of these men, most observers judge that their moment lies sometime in the less immediate future. Many Taiwanese businessmen, politically the most powerful in Taiwan, do not seem to favor a rapidly "Taiwaneseized" government. This group has, in the past, been singularly conservative. Their primary concern is with the maintenance of an auspicious business environment through continuing political stability. That stability has been achieved through an arrangement in which Mainlanders predominate in national government posts and in the officer ranks of the military establishment, with the native-born Taiwanese dominating the business community.³⁴ The Taiwanese business community and the Taiwanese population in general seem generally disposed to avoid rapid and destabilizing changes that might threaten the high standard of living they presently enjoy. Finally, even if the native-born Taiwanese should choose to launch a serious effort to advance one of their own for the highest post in the nation, they do not yet carry sufficient weight among the leadership of the Kuomintang, still largely controlled by Mainlanders, to effect their purpose.³⁵

For all these reasons, those Taiwanese in national government, such as Lin Yang-kang, have apparently chosen not to aggressively pursue a political power base of their own.³⁶ Instead, they appear to be content to bide their time, gradually working up the bureaucratic ladder of political life, compiling an impressive record of government service and performance. Perhaps their equanimity comes from the assurance that time is on their side. Chiang Ching-kuo's immediate successor, some say, will most probably not be a native-born Taiwanese, but he will most likely be the last president of Mainland origin. Future presidents may well be selected from among the native-born, and since Lin Yang-kang, Lee Teng-hui, and Ch'iu Ch'uang-huan are only in their late fifties, they will be among the next generation of candidates for the highest seat in the polity.

Taiwan Province, and had been mayor of Taipei (1978-81). Ch'iu Ch'uang-huan is the vice premier and the former minister of the interior.

34. See John Franklin Copper, "Political Development in Taiwan," in Hungdah Chiu (ed.), *China and the Taiwan Issue* (New York: Praeger, 1979), pp. 55, 66-67.

35. Native-born Taiwanese constitute, at present, only one third of the Central Standing Committee of the Kuomintang, although they are the majority of the party's total membership.

36. Yu Hsin, "Wang Sheng fa-tung chêng-pien ti k'o-nêng hsing (The likelihood of a coup by Wang Sheng)," *CSNT*, no. 137 (June 1981), p. 35.

Y. S. CHIANG

In the estimation of the Taiwan publication *Tsung Hêng*, one of three candidates likely to succeed Chiang Ching-kuo is the current Secretary General of the KMT Central Committee, Tsiang Yien-si. Y. S. Chiang, as he is more generally known, was born in 1915 in the province of Chekiang. He holds a Ph.D. in agricultural economy from the University of Minnesota and had enjoyed a career as a technocrat³⁷ before his more recent tenure as Secretary General of the Executive Yuan (1967-72), then as Minister of Education (1972-77), Secretary General of the Presidential Office (1978), Minister of Foreign Affairs (1978-81), and currently as Secretary General of the KMT Central Committee.

Described as broad-minded, Chiang has succeeded, as Secretary General of the Kuomintang, in introducing needed reforms in, and in gradually modernizing, the party.³⁸ He has received uniformly good press in both Taiwan and Hong Kong publications, which have celebrated instances of his tolerance and progressiveness.³⁹ As a member of the "presidential center,"⁴⁰ he has been credited with exercising an "enlightened" influence on Chiang Ching-kuo. He was apparently influential in Chiang Ching-kuo's decision to allow full press coverage of the trial of the Kaohsiung defendants in 1980, one of the major decisions that strengthened liberalizing tendencies in the political system, in spite of the blow dealt by the U.S. derecognition of the regime.⁴¹

Speculations on Y. S. Chiang as a candidate for succession tend to emphasize his talent for compromise and mediation, both in his ability to mediate with Americans and in his ability to reconcile differences within

37. Y. S. Chiang was the advisor to the Chinese Delegation to the U.N. Food and Agriculture Organization in 1946; chief of the Department of Miscellaneous and Special Crops in the National Agriculture Research Bureau in 1948; and had extensive experience in Taiwan's land reform, serving as executive officer (1948-52) and secretary general (1952-61) of the Joint Commission on Rural Reconstruction.

38. As an example, Y. S. Chiang has been successful in retiring those KMT functionaries at the grass roots level who often lacked training in higher education and, consequently, tended to be "traditional" in their orientation. They have been replaced by college graduates. He has also made efforts to improve communications between the party center and the local level by conducting regular tours to local prefectures to elicit criticisms and suggestions from local elites.

39. Chiang has recommended prior consultations with scholars and solicitations of public opinion in scientific surveys for bills that the KMT was sponsoring. See T'ai-pei hua-t'i, in *Ya-chou jên*, p. 9, and Huang Chung (ed.), "Chêng-chih ch'üan [Political circle]," in *SPTC*, no. 144 (September 5, 1982), p. 14.

40. See Jürgen Domes, "Political Differentiation in Taiwan: Group Formation Within the Ruling Party and the Opposition Forces 1979-1980," *Asian Survey*, 21:10 (October 1981), pp. 1023-1024.

41. Han Shêng, in *NPC*, p. 85.

the party and the government.⁴² It is not clear, however, how politically ambitious Y. S. Chiang might be. He has not sought to cultivate personal influence or a political base.⁴³ As a functionary he is not known to have made any major policy statements. And while it is clear that he is regularly consulted in policy matters, it seems that his principal role is to coordinate appropriate party response to decisions largely made elsewhere. For these reasons most observers do not anticipate that Y. S. Chiang will become directly involved in the contest for succession. Rather, the role generally envisioned for him is that of a compromise candidate in the event that the various groups and factions could not agree on any one candidate for the presidential post.⁴⁴

WANG SHENG

Of the persons suggested as possible candidates for political succession, none had generated as much publicity or received as much attention as General Wang Sheng, until mid-1983 director of the General Political Warfare Department in the Ministry of National Defense. Wang Sheng's position as a possible successor is now unclear, however, since on May 9, 1983, he was transferred to a post as director of the Combined Forces Training Department, a transfer widely judged to be a *de facto* demotion. And a second "demotion" followed on October 5, 1983, when the Standing Committee of the KMT appointed him Ambassador to Paraguay, succeeding Wang Meng-hsien.

A personality who seems to generate controversy, General Wang had been characterized by his critics as being "politically ambitious" and "ruthless"⁴⁵ and, until 1983, as wielding *de facto* political control over Taiwan because of his personal ties to Chiang Ching-kuo. Born in 1917 in the province of Kiangsi, General Wang's relationship with Chiang Ching-kuo was known to be intimate, dating back to 1939 when Chiang was the administrative commissioner for Southern Kiangsi.⁴⁶ As the confidant of the President, Wang probably exercised significant influence in the decision-making process at the highest levels of government.

The *exact* powers Wang Sheng exercised were not clear and were most often alluded to in a vague and suggestive manner. It was said that he "controls the party, military, and the security forces,"⁴⁷ that he was "the

42. Wang Hsing-chien, in *CP*, p. 27; and Wu Ling-hu, in *CSNT*, p. 74.

43. Yu Hsin, in *CSNT*, p. 35.

44. Wu Ling-hu, in *CSNT*, p. 74.

45. Yu Hsin, in *CSNT*, pp. 34, 35.

46. See Huang Hsin, in *CSNT*, p. 38.

47. Wu Ling-hu, in *CSNT*, p. 76.

soul of the Combined Forces,"⁴⁸ or that his "power envelops Taiwan."⁴⁹ A more rigorous attempt to determine Wang's precise power base begins with a look at his purported control over Taiwan's system of security forces. A careful study of Wang's authority within the security system indicates that, at best, he may have wielded authority over three of the ten organizations that together with their superordinate organization, the National Security Bureau, constitute the island's security system⁵⁰—(1) the General Political Warfare Department, (2) the Taiwan Garrison Command, and (3) the Bureau of Investigation.

Before the 1983 shuffle, the General Political Warfare Department (originally the General Political Department) of the Ministry of National Defense constituted Wang Sheng's major political base. The function of the General Political Warfare Department is to instill in all military personnel an appropriate ideological loyalty that will ensure steadfastness in the event of conflict with their communist opponents from the mainland of China. Since 1960 the ROC armed forces have been characterized by a dual career system—that of professional soldier on the one hand and that of military "political commissar" on the other. All enlisted personnel in ROC military commands receive ideological instruction from political commissars while in training, and each military unit hosts its own political commissar. In effect, the political commissar serves as a check and balance on the professional or citizen soldier.

Wang Sheng's career within the political commissar system extended as far back as 1953. He had been Major General and Assistant Commandant (1953–55), then Commandant (1955–60) of the Political Staff College (a subordinate organization within the Political Warfare Department that trains the military's political commissars and security operatives in general), and Lieutenant General, then General, and Deputy Director (1960–74) of the Political Warfare Department. In 1974 Wang reached the pinnacle of the political commissar system when he became Director of the Political Warfare Department, a post he held until May 1983.

Thus Wang Sheng had 29 years of experience in the Department—more than adequate time for him to have cultivated substantial influence, if not total control, over the Department. It is this long tenure in the Political Warfare Department and his strong personal connection with

48. Wang Hsing-chien, in *CP*, p. 27.

49. Wu Liang, "Wei Wang Sheng têng-chi ming-lo k'ai tao ti hai-wai hsiao-ch'ou [The disgraceful overseas effort to 'beat the gongs' for Wang Sheng's succession]," *Hai nei-wai* [*Hai Nei Wai Magazine*], New York, no. 36 (July–August 1982), p. 43.

50. See Ai Chung, in *CSNT*, pp. 56–57.

Chiang Ching-kuo that allowed Wang to expand his political orbit into institutions within which he held no formal title. It is primarily through the conduit of personal and clientelistic ties that Wang was able to exercise influence over two other organizations in the security system of Taiwan—the Taiwan Garrison Command⁵¹ and the Bureau of Investigation.⁵²

In addition to these bases within the security forces, Wang Sheng's influence may also have extended to the media, the military, and the Kuomintang. According to the magazines *Ch'i-shih nien-tai* and *Hai Nei-wai*, major portions of the Taiwan media constituted a political resource for Wang Sheng. These included (1) newspapers such as the *Youth Warrior Daily* (*Ch'ing-nien chan-shih pao*), the *United Daily News* (*Lien-ho pao*), and the *Kaohsiung Daily News* (*Kao-hsiung hsin-wên pao*); (2) television facilities, such as the China Television Company and the China Television Service; (3) magazines, such as the "right-wing" publication *Violent Storm* (*Chi-fêng*) and its contemporary successor, *The Flag of Chinese Monthly* (*Lung-ch'i*).⁵³

There were conflicting reports on exactly how much control Wang Sheng had over the military. Reputedly, both the retired (as of November 1981) Minister of Defense, General Kao K'uei-yuan, and the current Minister, Admiral Soong Chang-chih, were close to Wang Sheng.⁵⁴ It would appear, however, that whatever influence Wang exercised over the military may well have been limited to these two men alone. The professional military seems disinclined to treat the political commissars as equals, regarding them as security operatives (*i'ê-wu*) rather than true military professionals. According to *Formosa Weekly*, the military elites on Taiwan were unhappy over the choice of Admiral Soong as Minister of Defense, since his affinity to Wang Sheng would seem to defeat the purpose of the dualistic system of checks and balances between the professional soldier and the political commissar.⁵⁵ Most observers

51. According to Huang Hsin (in *CSNT*, p. 39), in 1979 Chiang Ching-kuo removed the Garrison Command from the jurisdiction of the National Security Bureau and placed it under the command of the Ministry of National Defense in order to place the Command under the direct influence of Wang Sheng.

52. According to one source, Wang's influence over the Bureau of Investigation stems from his personal ties with Shen Chih-yueh, the former director of the Bureau (1964–68), and with Li Yuan-zu, the current minister of justice. See "T'ai-wan ch'u-hsien chi-t'i ling-tao chi-hsiang," *NPC*, p. 81.

53. See Yu Hsin, in *CSNT*, pp. 34, 35; and Wu Liang, in *Hai nei-wai*, p. 54.

54. *Ibid.*, p. 35; and *Mei-li tao*, no. 110 (October 23, 1982), p. 2.

55. *Mei-li tao*, no. 110, p. 2.

tended to discount the likelihood of Wang Sheng gaining substantial control over the military.⁵⁶

How much support Wang has in the Kuomintang is equally difficult to determine. Wang is currently a member of the KMT Central Standing Committee, newly elected to that powerful Committee in April 1981. During his long tenure in the Political Staff College and the Political Warfare Department, he undoubtedly had the opportunity to train those security operatives who would later work in the KMT Central Committee's departments of Mainland Operations and of Overseas Affairs, both of which are parts of the overall security system of Taiwan. Wang Sheng has also been described as having tried, in the past few years, to expand his base into the party.⁵⁷ Reportedly, his efforts were quite successful in that newly appointed chairmen of the local KMT headquarters as of April 1982 were almost entirely drawn from either his faction or that of the military.⁵⁸ But apart from these general estimates, the exact influence he wields within the Kuomintang remains unclear.

SUN YUN-SUAN

According to a number of observers, including the Taiwan publication, *Tsung Hêng*, the candidate most likely to succeed to the presidency is the incumbent Premier of the Republic of China on Taiwan, Sun Yun-suan, who was born in Shantung in 1913. Both his training and his career prior to his entry into government service mark him clearly as a technocrat.⁵⁹ His political life began in 1967 when Chiang Ching-kuo recruited him to serve as Minister of Communications in the Executive Yuan. Since that time Chiang has continued to foster Sun's progress, rewarding him for his professional competence and for his personal loyalty, first by promoting him to the rank of Minister of Economic Affairs in 1969, and subsequently, in 1978, to the presidency of the Executive Yuan and the premiership of the Republic.

As head of the Executive Yuan, Sun presides over the most important branch of the ROC government. It is the Executive Yuan that effectively carries out policy. The Premier presides over the executive organization, composed of eight ministries and two commissions, which is charged with the task of executing policy decisions. The Premier also presides over a number of agencies that constitute the staff, accounting, and

56. See, for example, Huang Hsin, in *CSNT*, p. 38.

57. See Yu Hsin, in *CSNT*, pp. 34-35; and Wu Liang, in *Hai nei-wai*, p. 43.

58. "Tai-wan ch'u-hsien chi-t'i . . .," in *NPC*, p. 80.

59. Sun holds a B.S. in electrical engineering from the Harbin Polytechnic Institute, and received engineering training from the U.S. Tennessee Valley Authority.

information organizations of the Executive Yuan. In addition, he also supervises an array of special commissions and councils. All of these various institutions render the decisions that effectuate government policy and are generally responsible for the solution of current internal and international problems. Moreover, it can be argued that the Executive Yuan, in addition to being the highest administrative organ of the nation, also partakes in policy making. Its premier and vice premier, heads of ministries and commissions, and ministers without portfolio together constitute the Executive Yuan Council. The council meets once a week and is responsible for discussion and finalization of statutory, budgetary, and certain special bills to be submitted to the Legislative Yuan for approval.

Thus, of the possible candidates for succession, Premier Sun seems currently charged with the most responsibilities. His everyday tasks bring him into contact with the most active political forces in the nation. Through the Research, Development and Evaluation Commission, he maintains close and systematic contact with both the general population and with the ministries and agencies of the Executive Yuan, thereby remaining sensitive to population moods and the effectiveness of government administration. And it is through the Premier's office and the bureaucracy of the Executive Yuan that business leaders, civic and religious organizations, and private citizens communicate with their government. It is the Executive Yuan that coordinates and controls the Provincial Assembly, where much of the work-a-day activities of local politics transpire.⁶⁰ It is the Executive Yuan, and therefore the Premier, that predominate in the everyday politics of the ROC. Second only to the President in terms of effective constitutional responsibility, the Premier would seem to possess all the prerequisites of succession.

In contrast to the sometimes unflattering treatment accorded General Wang Sheng by the non-KMT press, the treatment of Premier Sun has invariably been positive and benign. He has been commended for his personal qualities, his professional competence, and for his moderate political positions. He is described as a modest, unassuming man, amiable and diplomatic, with the ability to establish and maintain cordial relations with his colleagues.⁶¹ He is cited for both his experience in government and for his technical background, which equip him with the needed resources to guide the economy of Taiwan in its transit from one

60. See Arthur J. Lerman, *Taiwan's Politics: The Provincial Assemblyman's World* (Washington, D.C.: University Press of America, 1978), p. 26.

61. See Ku Ming, "Sun Yun-suan nei-ko p'ing-hsi [A critical analysis of Sun Yun-suan's cabinet]," *CSNT*, no. 102 (July 1978), p. 12.

that is labor-intensive to one that is capital- and knowledge-intensive. Equally, if not more significantly, Sun has been singled out for his ability to work with the native-born Taiwanese and for his wide acceptance by the populace.⁶²

For those who regard Sun Yun-suan as the most likely candidate for succession, the recent increase in his responsibilities and public visibility⁶³ seem to hold political significance and to be indicative of things to come. These same observers, however, are troubled by what they take to be weaknesses in Sun—which in any other context would be regarded as virtues. What they judge to be Sun's major handicap is his apparent absence of political ambition, evident in his failure to construct a power-base for political ascendancy.⁶⁴ This lack of political ambition apparently refers to Sun's disinclination to cultivate clientelistic connections. Whatever "base" Sun possesses would consist of those who share his technocratic training and experience and/or those who share his moderate political viewpoints, rather than those who are locked into a personalistic network of patron-client relations. His potential base would, therefore, be his colleagues in government, such as the "finance technocrats," the "agriculture technocrats,"⁶⁵ and the "group of capable young men" around him. Above all, these observers are troubled by Sun's apparent lack of influence in the Kuomintang and in the military and security systems.

Technocrat or Ideologue?: Alternatives and Implications

Until recently only two of the six candidates reviewed here appeared to be serious contenders for succession to the Presidency of the Republic of China on Taiwan. General Wang Sheng and Premier Sun Yun-suan had seemed to be the only truly viable candidates for succession. Both men have enjoyed a political career fostered and promoted by Chiang

62. According to a public opinion survey conducted by the government in Taiwan, in June 1982 Premier Sun received the highest approval rating (89%) of the high-level elites of the Executive Yuan. See *Shih-chiai jih-pao* [World Journal], San Francisco, October 6, 1982.

63. Since June 1982, Chiang Ching-kuo has greatly reduced his public appearances. Increasingly acting as his replacement, Sun Yun-suan has become much more visible.

64. See, for example, Ku Ming, in *CSNT*, p. 14; Huang Hsin, in *CSNT*, p. 38; and Yu Hsin, in *CSNT*, p. 35.

65. According to Han Shêng, in *NPC*, p. 85, the "finance technocrats" include Sun himself, and such people as Li Kwoh-ting, the former minister of finance (1969–76) and current member of the KMT Standing Committee. The "agriculture technocrats" include Y. S. Chiang and Lee Teng-hui.

Ching-kuo; both have distinguished themselves in a long career in the service of their nation; both occupy powerful positions in the Kuomintang, being members of the party's all-important Central Standing Committee; and both are the regular focus of public attention and enjoy a measure of name recognition unknown to most others on Taiwan.

Aside from these similarities, however, they share little else in common. Instead, they offer two distinct alternatives with varying implications for future policy orientations. A case can be made that the candidacies of General Wang and Premier Sun represent a clear choice between an ideologue and a technocrat.

WANG SHENG AS THE PARTY IDEOLOGUE

An examination of Wang Sheng's career record, his speeches and publications shows him to be in possession of a primary political identity as a party ideologist. In that capacity Wang Sheng has published an impressive number of works in both Chinese and English. Perhaps the most ambitious of these is a large volume devoted to the thought of the founding father of the Kuomintang, Dr. Sun Yat-sen.⁶⁶ A shorter work addressed itself to the comparative doctrinal study of Sun Yat-sen's *San-min chu-i* (Three Principles of the People), a work that evidences Wang's wide range of doctrinal competence.⁶⁷ Wang has also published a volume of his speeches, entitled *On the Responsibilities of Intellectuals*, which offers a sophisticated articulation of his party's objections to Marxism.⁶⁸ Additionally, Wang has published a number of books on Chiang Kai-shek and Chiang Ching-kuo, in which he makes his devotion to both men a matter of public record.⁶⁹

In effect, Wang Sheng has established himself as a major ideologue in an environment where ideology continues to serve a critical legitimizing function. Although Kuomintang members on Taiwan had long ceased wearing the party uniform of the Chung-shan jacket (most prominent among them being Chiang Ching-kuo himself who has eschewed the ideological garb in favor of the "everyman" uniform of windbreaker and

66. This volume has appeared in English as *The Thought of Dr. Sun Yat-sen* (Taipei: Li Ming Culture Enterprise Co., 1981).

67. Wang Sheng, *San-min chu-i yü ch'i-t'a chu-i chih pi-chiao yen-chiu* [A Comparative Study of the Three Principles of the People and Other Ideologies], (Taipei: Li Ming, 1977).

68. Wang Sheng, *T'an chih-shih fen-tzu ti tsê-jên* [On the responsibilities of intellectuals], (Taipei: Li Ming, 1978).

69. See, for example, Wang's book on Chiang Kai-shek, *Ling-hsiu yü kuo-chia* [The leader and the nation], (Taipei: Li Ming, 1977), and his book on Chiang Ching-kuo, *Wo-tui Chiang tsung-t'ung Ching-kuo hsien-shêng jên-kê ho fêng-fan ti jên-shih* [My understanding of President Chiang Ching-kuo's character and style], (Taipei: Li Ming, 1981).

golf cap), the Kuomintang nevertheless remains essentially ideological in character. Its members are the disciples of Sun Yat-sen who continue to be animated by the vision of the founder. It is their "mission" as heirs to their leader to discharge the ideological responsibilities of the party. All of this makes ideology a matter of critical importance.⁷⁰

SUN YUN-SUAN AS THE PRAGMATIST-TECHNOCRAT

Although Premier Sun now ranks third in the 26-man Central Standing Committee of the Kuomintang,⁷¹ both his education and his record, as we have seen, have been singularly nonideological. Trained as an engineer, he is preeminently practical and pragmatic. His record is one of almost unblemished accomplishment as an administrator rather than as an ideologist. In his capacity as President of the Executive Yuan, he has collected around himself a number of very competent and attractive functionaries who have brought him credit under the most trying of international circumstances and have contributed to the aura of administrative effectiveness that radiates from his tenure. Sun's executive administration is marked by a degree of incorruptibility and proficiency rare among developing countries.

In an international environment where the future of Taiwan may well be determined by a sustained export-oriented economic growth, Sun's record as a former Minister of Economic Affairs (1969-78) during those years that saw Taiwan's most impressive economic performance, together with a record as an able and effective administrator of the Executive Yuan with a reputed ability to work with the industrial, export, and agricultural entrepreneurs of Taiwan, would make him a most commendable candidate for succession.

POLICY IMPLICATIONS

Should either Wang or Sun succeed to the presidency of the Republic, it is difficult to determine with any precision what the effects might be in terms of political outcomes. The role of a single individual, no matter how politically powerful, in a system as complex as that of the ROC is

70. As an illustration, at least 11 of the 26 members of the Central Standing Committee hold impeccable ideological credentials, certified by involvement with a member of ideological organizations including the KMT Central Committee's Revolutionary Pragmatism Research Institute at Yangmingshan and the China Youth Anti-Communist National Salvation Corps (China Youth Corps).

71. Sun had moved, from ranking 11th in the 11th KMT Central Standing Committee of 1976, to ranking 3rd in the current (12th) Committee. He is now preceded by only Yen Chia-kan, the former president of the ROC (1975-78), and vice president Shieh Tung-min.

difficult to specify with any conviction. The dominant Kuomintang, however much it influences political life in Taiwan, is sufficiently open-textured to allow for the impact of an indeterminate number of nonparty and socioeconomic variables that confound prediction. Nonetheless, the supposition, however ill founded, is that a government led by a prominent member of the armed forces, animated by strong ideological convictions, would be less accommodative and less flexible in dealing with both internal opposition and international relations. On the other hand, a government under the leadership of someone whose life has been characterized by dealing with the problems of applied science would be expected to be more flexible, prepared to consider alternative courses of action rather than imagine that political actions are dictated by some collection of determinate ideological "truths."

However simplistic such notions may be, there is evidence to suggest that, indeed, there might be some appreciable difference between General Wang and Premier Sun in their respective positions regarding the reunification of China. On this issue each seems to have taken a distinct and distinguishable position.

Wang Sheng's position on the issue of negotiating with the PRC on the ultimate status of Taiwan is remarkably consistent with the views formulated by Chiang Kai-shek in the mid-1950s.⁷² Very briefly, this argument is based on the conviction that negotiation with communists is an extremely hazardous undertaking, one in which the communists employ the tactics of negotiation to dissemble and delay, to confuse and confound. Invariably, the negotiation process serves to weaken non- or anticommunist forces, to the advantage of their communist opponents. Thus, according to this assessment, in Chiang Kai-shek's own words, negotiating with such a regime would be "absolutely useless," and the authorities in Taipei would "never have any contact with any Communist power."⁷³

Wang Sheng's views faithfully reflect these convictions. The arguments he formulated depend heavily on quotations from Chiang Kai-shek and Chiang Ching-kuo. These are supported by detailed historical allusions to lend weight to the contention that negotiations with the Chinese Communists must invariably be counterproductive and destructive, serving instead to further the communist program of revolution. "Com-

72. See Chiang Kai-shek, *Soviet Russia in China: A Summing Up at Seventy* (Taipei: China Publishing, 1969. Revised edition).

73. *Where the Republic of China Stands: Answers of Mr. Chiang Ching-kuo to Questions Raised by Foreign Reporters January 1975 to February 1978* (Taipei: China Publishing, 1978), pp. 21, 22.

munist negotiations are aimed not at attaining a mutual solution to problems," but are instead used "as a cover for the furtherance of schemes and plots, striving at all times and by all means to damage the combat stamina and the morale of its enemies."⁷⁴ Wang warns that one "must never believe that there will not be war in the Taiwan Straits." War is inevitable since history has shown that "the co-existence of two [contending] political powers is impossible," and it is likewise impossible for there to be "a solution via the route of negotiations." The ultimate solution "must be through a decisive war!"⁷⁵ To imagine, therefore, that negotiations with the communists might lead to constructive purpose "is as unwise as climbing up a tree to seek a fish. It is purely a waste of time."⁷⁶

For Wang Sheng the only alternative is to "attain self-perfection and an absolute unity between armymen and civilians and among people of all strata, . . . [and] to stick firmly to a principle of carrying the struggle against communism through to the end and of absolutely making no compromise in the course of this struggle." The leadership of the ROC must "resist pressures and reject temptations" to enter into negotiations with their enemies on the mainland.⁷⁷

The image conveyed by these admonitions is that of a monolithic Republic of China, a seamless unity of "armymen and civilians" forever on guard against communist infiltration and subversion.⁷⁸ What this suggests is a community systematically infused with ideological enthusiasm, subject to sensitive and insistent political surveillance. However unfair such a characterization may be, there are probably substantial elements among the population on Taiwan that suffer some misgivings that it might represent a potential reality.

The business community, which maintains substantial relations with over 140 nations in the world trading community, could only regard such a possibility with trepidation. Such a scenario would almost certainly impair the international image of Taiwan, rendering it less attractive as an investment market and a trading partner. For technocrats who must deal with pressing practical problems, the suggestion that the community might be compelled to demonstrate unflagging unity of opinion on issues

74. Wang Sheng, *An Analysis of the Chinese Communist Tactics of Peace Talks* (Taipei: Li Ming, 1979), pp. 3-4, 8, 12.

75. Wang Sheng, speech of December 24, 1975, in *T'an chih-shih fên-tzu ti t'ao-jên*, p. 44.

76. Wang Sheng, *An Analysis of the Chinese Communist*, p. 24.

77. *Ibid.*, p. 72.

78. Wang Sheng, speech of 1976, in *T'an chih-shih*, pp. 82-92.

could have the effect of chilling initiative and reducing the range of tactical options that would otherwise be open to them in a relaxed ambience. Bureaucrats, too, might suffer similar misgivings. For the general population, such a future could only imply increasingly burdensome constraints on the freedoms of expression and association.

Military and security leaders might assess such possibilities differently. While such leaders have been notably restrained in commenting on political issues, whatever statements have been made indicate that at least some see merit in the kind of analysis to be found in Wang's exposition.⁷⁹

As late as January 1979, Premier Sun Yun-suan's public stance remained remarkably similar to that found in the standard literature. Any "negotiations" with the communist regime would "undermine [the] combat will power and damage the spirit and morale of our people, thus creating favorable conditions for [Communist Chinese] future military operations." An appeal to negotiations would constitute but another instance of "ceaseless united front trickery" and is no more than a calculated effort at deception.⁸⁰

On June 10, 1982, however, Premier Sun made a public statement that signaled a subtle but not insubstantial change in his position. While the principal thrust of his remarks was fully compatible with what had been the standard treatment of the Chinese national reunification issue, he introduced elements of considerable importance. In this speech Sun spoke of a "Chinese nation" as an historic reality independent and distinct from the existing political systems that shared that nation between them. A clear distinction was drawn between a "Chinese nation," eminently real in terms of historic, cultural, linguistic, and sentimental realities, and the separate operative political systems that function out of Beijing and Taipei.

Nowhere in his speech did Sun make recourse to the appeal to legalisms so frequently employed by ROC spokesmen in the past. The fact is that contemporary governments have accorded or withdrawn legal recognition to or from one or another country more as a sign of approval or disapproval—or as a consequence of pragmatic considerations—than out of any real regard for objective legalities. In such an international environment, arguments that make critical use of concepts such as the "legality" or "illegality" of a political system serve little purpose. The

79. This is the substance of informal comments, in response to questions, made by General Chiang Wei-kuo at a meeting of the Institute of Strategic Studies of the ROC in June 1982.

80. "Premier Sun's Statement on Peiping's Proposal for 'Peace Negotiation,'" *Issues and Studies* (January 1979), Appendix, pp. 1, 2.

government of the ROC had long been recognized as the "legal" government of China by the United States. But since January 1, 1979, Beijing became the "sole legal government" of China, without any perceptible change in the objective circumstances of the case. Any appeal on the part of Taipei to the legalities or illegalities of political systems might serve to stiffen domestic morale but could have been of little utility in the international arena.

What Sun accomplished in this speech was to cut through much of the artificiality that surrounds contemporary international law regarding recognition by suggesting that the "Chinese nation," as a socio-historical reality, should be recognized for what it is—a single nation possessed of two viable, though competitive, political systems.⁸¹ Rather than appeal to some indeterminate principles of law, the standard of evaluation of the respective merits of the "two Chinas" should be one of practicality—i.e., the ability of the respective political systems to further the "processes of the modernization" of their nation. Sun understood successful modernization to involve material "progress, prosperity and stability" and the collective enjoyment of a "modern life of freedom and happiness."⁸²

What has been ancillary to the standard arguments employed by ROC spokesmen for more than a generation was thus made central to the discussion of the "China issue." While in the past Taipei's official spokesmen had alluded to the economic accomplishments of the ROC in order to embellish their arguments, Sun made those accomplishments the pragmatic test of a political system's legitimacy. A political system that can produce, foster, and insure continued economic and political modernization, measured against increasing welfare and income equity and citizen participation, would be the one that merits the support of the world community.

And although Sun remained prepared to recognize the duplicity involved in the Communist Chinese call for negotiations, he nevertheless insisted that "if the political, economic, social and cultural gaps between

81. There is an abundance of literature that this concept seems to reflect. See Luis Martinez-Agullo, "L'Etat divisé," *Journal de droit international*, 91 (1964), pp. 265–284; Gilbert Cary, *Le statut juridique des Etats divisés* (Paris: Pedone, 1969); Jochen A. Frowein, *Das de facto-Regime im Voölkerrecht* (Bonn: Wissenschaft, 1968); Hungdah Chiu and Robert Downen (eds.), *Multi-System Nations and International Law: The International Status of Germany, Korea and China* (Baltimore: University of Maryland School of Law, 1981). Particularly noteworthy is the essay, "The Unification and Division of Multi-System Nations: A Comparative Analysis of Basic Concepts, Issues and Approaches," in *ibid.*, pp. 59–74, by Wei Yung, one of the authors of Premier Sun's speech of June 10, 1982.

82. Sun Yun-suan, *The China Issue and China's Reunification* (Taipei: Government Information Office, 1982).

the Chinese mainland and free China continue to narrow, the conditions for peaceful reunification can gradually mature. The obstacles to reunification will be reduced naturally with the passage of time."⁸³

Thus, with one stroke, Sun Yun-suan has recast the entire argument. China, as a nation, deserves an effective, progressive, and increasingly democratic government. At present there are two governments competing both for the loyalty of Chinese and for the recognition of the international community. The government that deserves that loyalty and that recognition is one that can most satisfactorily negotiate the distance between economic and political backwardness to modernity.

How effective that new argument will be under the prevailing international circumstances is difficult to anticipate. What is important is that Sun is prepared to make continued progress toward prosperity and democracy a criterion of legitimacy. Which means, in turn, that he is irrevocably committed to the satisfaction of democratic aspirations, those that have animated the Chinese people and those long familiar to the advanced Western democracies. So construed, his account could only give heart to the more liberal segments of the dominant party, those who must function as technocrats in the system, the business community that must win the tacit or overt support of foreign economic and political elites, and those nonpartisan citizens who aspire to a more open political environment.

The Immediate Prospects

Given Wang Sheng's transfer from the directorship of the General Political Warfare Department (and replacement by Hsu Li-nung⁸⁴) to that of the Combined Forces Training Department in May 1983, and his appointment in October as Ambassador to Paraguay, it appears reasonable to conclude that General Wang has been effectively marginalized. His access to the ROC security organs has been severed. Whatever support he might have among his clients throughout the security apparatus, his ability to mobilize them to some political purpose has been significantly undermined. All of which can only mean that Premier Sun's prospects for acceding to the presidency of the Republic have been appreciably enhanced. President Chiang Ching-kuo, and those forces around him, have apparently signaled their preference in terms of candidates for succession. Chiang Ching-kuo's successor will probably be

83. Ibid.

84. According to *Ch'i-shih nien-tai*, General Hsu Li-nung is a professional soldier, having "no affiliation" with Wang Sheng. Ch'iu Szu, "Wang Sheng chih ts'o [Wang Sheng's Mistake]," in *CSNT*, no. 162 (July 1983), p. 8.

Premier Sun Yun-saun, if his health permits, who will bring with him a liberal and technocratic disposition. Premier Sun has long been identified with the "democratizing" elements of the KMT, and a clear line of succession to the presidency augurs continued evolution toward more open and pluralistic political forms in the Republic of China on Taiwan.

It is too early to predict with any confidence the outcome of any succession crisis that might follow the death or incapacitation of the incumbent president. What seems clear, however, is that the succession of Premier Sun Yun-suan to the presidency would mean far less tension in Northeast Asia in the immediate future. A President Sun Yun-suan would mean a far more pragmatic, liberal, and accommodative chief executive for the Republic of China at a time when pragmatism, liberalism, and flexibility are at a premium. In the immediate future, Taipei's ability to negotiate troubled waters, while remaining attractive to the democratic powers of the West, will be critical to its survival. Of all the candidates for the leadership of the Republic, Sun Yun-suan seems best qualified to discharge the responsibilities of chief executive—and at the moment he seems to enjoy privileged access to the post.

THE IMPACT OF THE 1980 SUPPLEMENTARY ELECTION ON NATIONALIST CHINA'S LEGISLATIVE YUAN

Richard L. Engstrom and Chu Chi-hung

The Legislative Yuan of the Republic of China on Taiwan is one of the most unique and intriguing legislative bodies in the world. Its symbolic importance to the National Chinese regime on Taiwan cannot be overestimated. The Nationalist government, of course, claims to be the only legitimate government for all of China, and the Legislative Yuan serves as an important manifestation of that territorial claim. Although the *de facto* jurisdiction of the government of the Republic of China (ROC) has been effectively limited to the island province of Taiwan since 1949, most of the seats in the Legislative Yuan are still occupied by legislators representing constituencies on the Communist-controlled Chinese mainland.¹ This unique representational

Richard L. Engstrom is Professor of Political Science at the University of New Orleans. During the 1981–82 academic year, he served as a Fulbright lecturer at National Taiwan University and National Chengchi University, and as a Visiting Research Fellow at Academia Sinica (Taipei). Chu Chi-hung is Professor of Political Science at National Taiwan University. During 1982–83, he was a Visiting Scholar at the University of California, Berkeley. This article is a revised version of a paper presented at the 1982 Annual Meeting of American Political Science Association, Denver, Colorado, September 2–5. This research has been supported by a grant from the Pacific Cultural Foundation, Taipei, Republic of China. The authors wish to thank Yi Jia-chi, Wang Yu, Shy Neng-tye, and Peng Huei-en for assisting with the collection of the data reported herein, and John K. Wildgen for helping with the analysis of the data. Responsibility for the interpretation of the data, of course, resides exclusively with the authors.

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1. In addition to the province of Taiwan, which includes the smaller Penghu (Pescadores) islands as well as the island of Taiwan (Formosa), the Nationalist government also retains control over the Kinmen (Quemoy) and Matsu islands, which are technically part of Fukien province, not Taiwan province. On the island of Taiwan itself, the Nationalist government has designated the cities of Taipei and Kaohsiung to be "special municipalities" that are jurisdictionally separate from the province of Taiwan. Unless otherwise stated, however, we use "Taiwan" to refer to the area encompassed by the old provincial boundaries.

arrangement is a consequence of the Nationalist regime's insistence on maintaining on Taiwan the national-level political institutions established in the constitution of the ROC adopted in Nanking in 1946. The preservation of that constitutional structure is, of course, central to the continued legitimacy of the Nationalist regime and its territorial claims.

Although the symbolic significance of the Legislative Yuan cannot be questioned, the institution is not generally considered to be an important part of the actual political process on Taiwan. Indeed, the prevailing perception of the Legislative Yuan seems to be that of an ineffectual gerontocracy, a "bastion of superannuation" that has *not* been "an active and important part of the government."² This geriatric image is of course a function of the representational structure that makes the institution of such symbolic importance: The mainland representatives, who were elected to the Legislative Yuan in 1948, are now almost all in their seventies, or older.

The role of the Legislative Yuan in the political process on Taiwan appears to be changing, however. John Copper, who as late as 1979 described the institution as suffering from "old age and attrition,"³ has suggested more recently that it may be in the process of becoming "revitalized."⁴ The reason, according to Copper, is the infusion of "new blood" and "new energy" resulting from the 1980 election held on Taiwan, an election in which 70 members from Taiwan were elected to supplement the mainlanders elected in 1948.⁵ This essay, after providing a review of the representational structure of the Legislative Yuan, documents some important changes in that body that have indeed occurred following the 1980 election.

The legislators representing districts on mainland China were elected in 1948 to serve three-year terms. They were among the original 760 members elected to the Legislative Yuan, the first session of which was held in Nanking that same year. Because of the Communist insurrection, the legislature was forced to move to Canton in 1949, and then to Taipei,

2. J. Bruce Jacobs, "Taiwan 1972: Political Season," *Asian Survey*, 13:1 (January 1973), p. 106, and John Franklin Copper, "Political Development in Taiwan," in Hungdah Chiu (ed.), *China and the Taiwan Issue* (New York: Praeger Publishers, 1979), p. 45. See also Richard L. Walker, "Taiwan's Movement into Political Modernity, 1945-1972," in Paul K. T. Sih (ed.), *Taiwan in Modern Times* (New York: St. John's University Press, 1973), p. 373.

3. Copper, "Political Development in Taiwan," p. 45.

4. John Franklin Copper, "Taiwan's Recent Election: Progress Toward a Democratic System," *Asian Survey*, 21:10 (October 1981), p. 1039.

5. *Ibid.*, p. 1038.

Taiwan, where it was reconvened in 1950. All subsequent sessions of the Legislative Yuan have been held in Taipei, which serves as the capital for the ROC on Taiwan. Over 500 of the legislators elected in 1948 (including some who were elected as alternates to fill vacancies) were in attendance at the legislature's sessions in Taipei.⁶ Because it was impossible to hold subsequent elections in their mainland districts, however, the terms of these members were extended until such time as elections could be held.⁷ As a result the membership of the Legislative Yuan was effectively frozen for over twenty years, the only change being the annual loss of members who died or were otherwise unable to attend sessions.⁸

This representational situation soon became a political issue on Taiwan. The Legislative Yuan was criticized for not being representative of, nor electorally accountable to, the people residing on Taiwan. As the institution's members aged and attendance declined, and as the goal of "mainland recovery" appeared to become more distant (and the issue of development on Taiwan more immediate), demands for "reform" of the Legislative Yuan's representational structure intensified.⁹

The need to adapt the representational structure of the national legislature to reflect better the political realities of the ROC's situation on Taiwan has been recognized by the Nationalist government.¹⁰ In order to replenish the institution's membership and enhance its legitimacy among the people residing on Taiwan (as well as improve the ROC's image among democratic countries, especially the United States), supplementary elections for additional seats in the Legislative Yuan have been held on Taiwan. The first such election, held in 1969, produced only a minimal increase in membership. Only eleven new positions were added for Taiwan, bringing the number of seats apportioned to that province up to its constitutionally authorized level, given the increase in

6. Jen Teh-hou, "The Constitutional Development of the Republic of China: Law and Politics in Taiwan, 1949-1975" (Ph.D. diss., New School for Social Research, 1978), p. 98.

7. This extension of terms, initially authorized through annual decrees issued by the Executive Yuan, was made continuous by a constitutional interpretation issued by the Council of Grand Justices in 1954. See *ibid.*, p. 98.

8. The largest attendance for a session of the Legislative Yuan held in Taipei was 539 in 1951. By 1958 attendance had dropped below 500 (495), and it was down to 431 prior to the first supplemental election, held in 1969. In 1981 301 of the original members were in attendance. Data on attendance for any given year can be found in the respective edition of the *China Yearbook* (Taipei: China Publishing Co.).

9. See, e.g., Yung Wei, "Political Development in the Republic of China on Taiwan," in Hungdah Chiu (ed.), *China and the Question of Taiwan: Documents and Analysis* (New York: Praeger Publishers, 1973), p. 80.

10. *Ibid.*, pp. 98-101.

population on the island since 1948.¹¹ While this was a significant change in that the Nationalist government had abandoned its previous position that no elections to national-level institutions would be held prior to the return to the mainland,¹² the minimal increase in Taiwan's share of the seats did not satisfy the demand for more representation in the national legislature for the people residing on Taiwan.

Following the ROC's loss of its United Nations' seat to the Communist regime on the mainland in October of 1971, internal political reform became a more immediate issue. At an emergency meeting of the Nationalist Party [or Kuomintang (KMT)], a resolution was adopted calling for the Legislative Yuan and the other national-level elective bodies (the National Assembly and the indirectly elected Control Yuan) to be "replenished."¹³ The next year, a second supplementary election was held, this time adding 36 new seats for members from Taiwan (plus 15 seats for overseas Chinese representatives, to be appointed by the President). Not only was Taiwan's representation now increased beyond that originally authorized for that province by the ROC's constitution, but more significantly, the 1972 election ushered in a *system* of supplementary elections. Those elected in 1972 (unlike those elected in 1969) were given a fixed term in the legislative body, the constitutionally designated three years.¹⁴ New elections would therefore be held every three years to fill these seats. Those elected on Taiwan would now be directly accountable to the voters on Taiwan.

The third supplementary election was held as scheduled in 1975, with 37 seats being filled, the winners once again receiving a three-year term. The election scheduled for December 23, 1978, however, had to be canceled when, in the midst of the campaign, U.S. President Jimmy

11. Each province was initially apportioned five seats in the Legislative Yuan, regardless of population, with those having populations exceeding three million awarded an additional seat for each additional one million in population (Constitution of the Republic of China, Article 64). In 1966 a "temporary provision" was added to the constitution (effective only during the period of Communist rebellion) that authorized the President to call elections to fill vacancies in the Legislative Yuan and to increase the apportionment for areas under the ROC's control that had experienced population growth. Four of the eleven seats added in 1969 were apportioned to Taipei, the other seven to (the remainder of) Taiwan province.

12. Jen Teh-hou, "The Constitutional Change and Political Development of the Republic of China on Taiwan," paper presented at the Conference on the History of the Republic of China, Taipei, August 23-28, 1981 p. 9.

13. See Jen, "Constitutional Development," p. 313; Jacobs, "Taiwan 1972," p. 106; and Sheldon L. Appleton, "Taiwan: The Year It Finally Happened," *Asian Survey*, 12:1 (January 1972), p. 35.

14. This new system was authorized by a 1972 amendment to the temporary provisions of the constitution.

Carter announced that the United States was going to "normalize" its relations with the People's Republic of China and was therefore withdrawing diplomatic recognition from the ROC. In the wake of this diplomatic setback, however, internal political reform was again at the front of the political agenda on Taiwan,¹⁵ and when the elections were subsequently rescheduled for December of 1980, the number of seats for Taiwan was again increased. This time, 70 legislators would be elected from Taiwan, and 27 overseas Chinese representatives would be appointed by the President. Although Taiwan's formal share of seats in the Legislative Yuan would still be less than 20%, the proportion of active members from Taiwan would be much higher.

The 1980 Election

The 1980 election on Taiwan was an especially significant election. Not only was the number of available seats in the Legislative Yuan almost doubled, but the election proceeded under a newly adopted law governing the conduct of elections and campaigns.¹⁶ Competition was much more extensive in 1980 than in the previous elections, and campaign debate and rhetoric was reportedly sharper, with the government allowing non-KMT candidates to express a wider range of critical opinions.¹⁷ Few complaints about intimidation, unfairness, and electoral irregularities were voiced—not always the case in the past.¹⁸ Indeed, the election has been described by one student of the political process on Taiwan as being "a turning point in Taiwan's efforts to democratize its political system."¹⁹ The outline of an organized opposition even appeared, as some of the Independent or Tangwai ("without party") candidates began to coordinate aspects of their campaigns.²⁰

The sharp increase in competition in 1980 is documented in Table 1. The number of candidates per seat was virtually double that for previous elections. Much of this increase can be attributed to a change in the

15. J. Bruce Jacobs, "Taiwan 1979: 'Normalcy' After 'Normalization'," *Asian Survey*, 20:1 (January 1980), pp. 88–89.

16. See the Public Officials Election and Recall Law, promulgated by presidential decree (69) t'an t'ung (1) yi No. 2660, on May 14, 1980. For commentary on this law, see Copper, "Taiwan's Recent Election," pp. 1033–1034.

17. John Franklin Copper, "Taiwan in 1981: In a Holding Pattern," *Asian Survey*, 22:1 (January 1982), p. 47.

18. See Leo Yueh-yun Liu, "Taiwan's Role in the Western Pacific," *Current History*, 81:4 (April 1982), p. 166.

19. Copper, "Taiwan's Recent Election," p. 1030.

20. See Liu, "Taiwan's Role," p. 166; Jacobs, "Taiwan 1979," p. 90; and Jürgen Domes, "Political Differentiation in Taiwan: Group Formation Within the Ruling Party and Opposition Circles 1979–1980," *Asian Survey*, 21:10 (October 1981), p. 1013.

TABLE 1 *Supplementary Elections of 1972, 1975, and 1980*

	1972	1975	1980
Number of seats	36	37	70
Number of candidates	55	61	218
Candidates per seat	1.53	1.65	3.11
Percentage of seats with KMT nominee	88.9 (N = 32)	81.1 (N = 30)	57.1 (N = 40)
KMT nominees as percentage of candidates	58.2 (N = 32)	49.2 (N = 30)	18.3 (N = 40)
KMT members without recommendation as percentage of candidates	—	—	41.3 (N = 90)
Independents as percentage of candidates	40.0 (N = 22)	47.5 (N = 29)	36.7 (N = 80)
Minor party nominees as percentage of candidates	1.8 (N = 1)	3.3 (N = 2)	3.7 (N = 8)

KMT's endorsement practices. The party endorsed candidates (in the form of "recommendations" rather than "nominations" in 1980) for only 57% of the available seats, rather than the previous 80% plus, leaving the other 43% of the seats "open."²¹ In addition the KMT permitted other members of the party to run without its endorsement, even against those who had been recommended by it (a practice that in the past was considered to violate party discipline and resulted in the loss of party

21. Fifty-two representatives were elected from geographical districts. The special municipalities of Taipei and Kaohsiung were apportioned eight and five seats, respectively, while Taiwan province was apportioned 38 (divided into six districts electing from two to nine representatives each). That portion of Fukien province under the ROC's control was also apportioned a seat. The remaining 18 seats were "reserved" for election by designated groups (for which there are separate electoral registers). Two were apportioned to Taiwan's aboriginal population (one to be elected by the aborigines residing on the plains, the other by those living in the mountains), the other 16 to occupational organizations (four each for farmers and workers, and two each for fishermen, industrialists, businessmen, and educators). See *The Supplementary Parliamentary Elections, 1980* (Taipei: Kwang Hwa Publishing Co., 1980).

membership). The result of this relaxation was a dramatic increase in candidacies, since ninety members of the Kuomintang ran without the party's recommendation, and eighty independents sought seats in the national legislature.

The increased competition did not, however, cut seriously into the KMT's electoral control. All but one of the candidates recommended by the party won, giving the party 39 of the seats. Other party members won 17 of the remaining seats, while Independent candidates won the other 14. And despite the fact that some of the Independent candidates were among those receiving the most votes,²² KMT candidates are reported to have polled 72% of the total vote (43% for those who were recommended, plus 29% for those running without the party's endorsement).²³

Impact of Elections on the Legislative Yuan

As noted above, it was suggested that the Legislative Yuan would be revitalized as a consequence of the 1980 election. The representatives elected in 1980 (only 14 of whom had served previously in the Legislative Yuan) were expected to provide an infusion of new blood and new energy, permitting the institution to begin playing a more active role in the political process on Taiwan.²⁴ Those elected in 1980 were of course considerably younger than those who were serving indefinite terms (and also much younger than those who had been appointed to the seats for overseas Chinese). Reported in Table 2 are the distributions of ages for the different groups of legislators serving in 1981. Those holding their seats as a consequence of the 1948 election (hereafter referred to as the "Class of 48," N = 301) ranged in age from 59 to 93, and averaged 75.8 years of age in 1981. The ages of those elected in 1969 (hereafter referred to as the "Class of 69," N = 5) ranged from 59 to 72, and averaged 65.8. Those in 1980 (hereafter the "Class of 80E," N = 70) range from 29 to 74, and averaged only 45.2 years of age, while the ages of those appointed in 1980 (the "Class of 80A," N = 27) ranged from 35 to 73, and averaged 57.1.

Not only were those elected in 1980 generally much younger than their colleagues in the legislature, they were also predominantly

22. John Franklin Copper, "Taiwan in 1980: Entering a New Decade," *Asian Survey*, 21:1 (January 1981), pp. 47-48.

23. See Domes, "Political Differentiation in Taiwan," p. 1014.

24. Copper, "Taiwan's Recent Election," p. 1038. Only one of those appointed to a seat for overseas Chinese had served previously in the Legislative Yuan.

Taiwanese. Sixty-one (87.1%) either had resided on Taiwan prior to 1946 (the year Taiwan was retroceded to China from Japan), or were the children of those who had; only seven (10%) were "mainlanders," i.e., people who had come to Taiwan from mainland China after 1946, or the children of those who had.²⁵ Those remaining from the Class of 48, of course, were almost all from the mainland—only five (1.7%) were left from Taiwan's original delegation. All five of those remaining from the Class of 69 were also Taiwanese.

The Class of 80E was also distinguished from the other groups by the fact that 20% (N = 14) of its members were Independents. Only two of those left from the Class of 48 were Independents, although 10 others were members of one of the minor parties in China. Table 3 contains the distribution of partisan affiliations for the members of each of the four groups.

The Class of 80E was clearly different from the rest of the chamber, and it was expected to be the source of any institutional revitalization that the Legislative Yuan might experience. Has the role of the Legislative Yuan in the political process on Taiwan been altered as a consequence of this new group of legislators? The answer appears to be a clear affirmative, at least in the sense that the legislature has become a more active body. This is not to suggest that it has as yet become a central part of the policy-making process on Taiwan. The political system on Taiwan is in effect a one-party system, with the dominant Kuomintang a disciplined, centralized political party.²⁶ Within such political systems, legislatures usually perform a legitimizing function—i.e., "conferring legitimacy upon policies made elsewhere."²⁷ Few would argue that the Legislative Yuan is an exception to this generalization. Yet there is evidence that it has become a more assertive body since the latest alteration in its

25. Children fathered by mainlanders are considered to have the same provincial origin as their fathers. In 1980 mainlanders composed approximately 14% of the population residing in the area controlled by the ROC. See General Directorate of Budget, Accounting and Statistics, Executive Yuan, *Statistical Yearbook of the Republic of China, 1981* (Taipei, 1981), Supplementary Table 20, p. 45.

26. See, e.g., Hung-chao Tai, "The Kuomintang and Modernization in Taiwan," in Samuel P. Huntington and Clement H. Moore (eds.), *Authoritarian Politics in Modern Society: The Dynamics of Established One-Party Systems* (New York: Basic Books, 1970), p. 409; and Arthur J. Lerman, *Taiwan's Politics: The Provincial Assemblyman's World* (Washington, D.C.: University Press of America, 1978), pp. 17–19.

27. Gerhard Loewenberg and Samuel C. Patterson, *Comparing Legislatures* (Boston: Little, Brown, 1979), p. 198. See also David M. Olson, *The Legislative Process: A Comparative Approach* (New York: Harper and Row, 1980), p. 452, and J. Blondel, *Comparative Legislatures* (Englewood Cliffs, N.J.: Prentice-Hall, 1973), pp. 51–53.

TABLE 2 *Distribution of Ages, by Groups, 1981*

Age	Total Membership		Class of 48		Class of 69		Class of 80E		Class of 80A	
	%	(N)	%	(N)	%	(N)	%	(N)	%	(N)
<30	0.2	(1)	—	—	—	—	1.4	(1)	—	—
30-39	3.7	(15)	—	—	—	—	20.0	(14)	3.7	(1)
40-49	11.2	(45)	—	—	—	—	55.7	(39)	22.2	(6)
50-59	5.5	(22)	0.7	(2)	20.0	(1)	18.6	(13)	22.2	(6)
60-69	14.6	(59)	14.0	(42)	40.0	(2)	2.9	(2)	48.1	(13)
70-79	44.4	(179)	58.1	(175)	40.0	(2)	1.4	(1)	3.7	(1)
80-89	19.1	(77)	25.6	(77)	—	—	—	—	—	—
≥90	1.2	(5)	1.7	(5)	—	—	—	—	—	—

TABLE 3 *Distribution of Partisan Affiliations, by Groups, 1981*

Partisan Affiliation	Total Membership		Class of 48		Class of 69		Class of 80E		Class of 80A	
	%	(N)	%	(N)	%	(N)	%	(N)	%	(N)
Kuomintang	92.6	(373)	96.0	(289)	100.0	(5)	80.0	(56)	85.2	(23)
Young China	2.5	(10)	2.7	(8)	—	—	—	—	7.4	(2)
Democratic-Socialist	0.5	(2)	0.7	(2)	—	—	—	—	—	—
Independent	4.5	(18)	0.7	(2)	—	—	20.0	(14)	7.4	(2)

membership, and that this new activity has resulted directly from that change.

The evidence for a new, more active role for the Legislative Yuan is the dramatic increase in the number of *interpellations* directed toward executive branch officials by members of that body.²⁸ Interpellations, questions that are formally submitted to government officials, provide legislators with an opportunity to "voice demands and air grievances,"²⁹ and in most legislative bodies the time reserved for interpellations is generally thought of as "opposition time."³⁰ In the Legislative Yuan, where questions for government officials may be asked either orally or submitted in writing, interpellations are used by legislators as a medium for expressing their "disagreement or displeasure over the actions taken by the Executive Yuan," and as a way "to exert pressure upon the Government."³¹ The substantive topics addressed in interpellations vary widely. During the first session of the Legislative Yuan in 1982, for example, the issues addressed in interpellations ranged from the import duty on women's cosmetics to the continued necessity for martial law on Taiwan.

The number of interpellations by members of the Legislative Yuan in 1981 far exceeded the number asked in previous years.³² Reported in Table 4 are the number of written and oral questions for the eleven year period, 1971-81. The number of written questions in 1981 was more than three times that of any of the preceding ten years, and the number of oral questions was at least twice as high as in all but one of the previous

28. The right of legislators to ask questions of the President and the Ministers and Chairmen of Commissions of the Executive Yuan is contained in Article 51, section 1, of the Constitution of the Republic of China. Votes in the Legislative Yuan are only recorded in the aggregate, not by individual legislators, and therefore a voting analysis cannot be performed. Even if the votes were so recorded, however, it is unlikely that there would be sufficient division to make such an analysis feasible. For example, during the first session of 1982 a proposed revision in the criminal code, which reportedly provoked "heated discussion" and caused "quite a furor" for several days in the Legislative Yuan, was ultimately approved by a vote of 122 to 4. See *China Post* (Taipei), July 17, 1982, p. 12; July 18, 1982, p. 8; and July 24, 1982, p. 12.

29. Chu Chi-hung, "Ethnicity, Partisanship, and Legislative Activity in Malaysia," *Legislative Studies Quarterly*, 1:4 (November 1976), p. 552.

30. Michael Mezey, *Comparative Legislatures* (Durham, N.C.: Duke University Press, 1979), p. 108.

31. Jen, "Constitutional Development," pp. 101, 111.

32. The data on interpellations have been collected from the respective *Li-fa yüan kung-pao* (Legislative Branch Bulletin). The Legislative Yuan meets in two regular sessions every calendar year. The figures reported herein are the number of interpellations for each year (both sessions combined).

TABLE 4 *Number of Interpellations, 1971-81*

<i>Year</i>	<i>Written Interpellations</i>	<i>Oral Interpellations</i>	<i>Total</i>
1971	90	81	171
1972	115	58	173
1973	338	102	440
1974	214	95	309
1975	291	108	399
1976	121	84	205
1977	201	74	275
1978	558	140	698
1979	212	104	316
1980	351	95	446
1981	1,771	227	1,998

ten years. The total number of questions, which during the previous ten years had averaged less than 350, was 1,998 in 1981.

This increase is directly attributable to those members elected in 1980. Reported in Table 5 is the percentage of members of each group who asked an oral or a written question, and the average number of questions asked by the members of each group. The legislators elected in 1980 are clearly the source of this increase. All but one of the seventy members elected in 1980 have asked at least one question of an executive branch official, and the average number of questions for this group is greater than 20. Collectively, these legislators (only 17.4% of the membership) accounted for 71.6% of the interpellations. Among the other three groups, far fewer members participate in this activity at all (especially in asking oral questions), and the average number of questions asked by group members ranged between 1.6 and 5.0. Not surprisingly, among those elected in 1980 the Independent legislators were much more likely to ask a question than were those affiliated with the KMT. The average number of questions (written and oral combined) asked by the Independent legislators was 27.9, while the average for KMT members elected in 1980 was 18.6, a figure still substantially higher than that for the KMT members elected in 1948 and 1969.

Thus the latest supplementary election for seats in the Legislative Yuan appears to have provided an effective antidote for the "geriatric

TABLE 5 *Interpellations, by Groups, 1981*

	<i>Class of 48</i>	<i>Class of 69</i>	<i>Class of 80E</i>	<i>Class of 80A</i>
<i>Written Interpellations</i>				
Percent of group members asking	55.8	80.0	98.6	96.3
Average number asked	1.4	4.6	18.1	2.4
<i>Oral Interpellations</i>				
Percent of group members asking	11.6	40.0	92.9	22.2
Average number asked	0.2	0.4	2.4	0.3

desuetude" from which the institution has been suffering.³³ The new generation of legislators elected in 1980 has indeed "revitalized" that legislative body, a transformation that is undoubtedly part of a more general movement toward a more "modern," pluralistic political system on Taiwan.³⁴ While few would argue that, as a consequence of this alteration of the legislative elite, the Legislative Yuan is now at the center of the policy-making process (a position occupied by relatively few legislative bodies in the world), it is clearly playing another important role—that of monitoring administrative activities—in a far more aggressive manner than before. Although still performing largely a legitimizing function within a one-party system, the "new" Legislative Yuan is much less submissive vis-à-vis the executive branch than its predecessors had been.

33. Walker, "Taiwan's Movement into Political Modernity," p. 373.

34. See, e.g., Copper, "Taiwan's Recent Election," and Domes, "Political Differentiation in Taiwan."

MAKE MONEY NOT BABIES

Changing Status Markers of Northern Thai Women

Marjorie A. Muecke

There is a sizable literature, both anthropological and popular, on the question of how "modernization" or "urbanization" affects the status of women in "traditional" societies.¹ Observers of the status of women in post-World War II Thailand report increasing gender differences in social position, prestige, and power that selectively disadvantage the majority of women. The observers usually associate this loss of status by women with increased alliances between Thailand and Western nations and with the modernization of the peasant socioeconomic order.²

Marjorie Muecke is Assistant Professor in the School of Nursing and Adjunct Assistant Professor in the Department of Anthropology, University of Washington, Seattle, Washington.

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1. E. Bourguignon et al., *A World of Women: Anthropological Studies of Women in the Societies of the World* (New York: Praeger, 1980); W. T. Divale, "Female Status and Cultural Evolution: A Study in Ethnographer Bias," *Behavior Science Research*, 11 (1976), pp. 149-168; S. W. Mintz, "Men, Women and Trade," *Comparative Studies in Society and History*, 13 (1971), pp. 247-268; M. A. Muecke, "Changes in Women's Status Associated with Modernization in Northern Thailand," in G. B. Hainsworth, ed., *Southeast Asia: Women, Changing Social Structure and Cultural Continuity* (Ottawa: University of Ottawa Press, 1981), pp. 53-65; P. R. Sanday, "Toward a Theory of the Status of Women," *American Anthropologist*, 75:5 (1973), pp. 1682-1700.

2. For example, Ester Boserup's review of women's roles in the economic development of Third World nations including Thailand found that "polarization and hierarchization of men's and women's work roles is only found in the modern urban economy, and not usually either in family production for subsistence or in market production in home industries at the village level." E. Boserup, *Woman's Role in Economic Development* (London: George Allen & Unwin Ltd., 1970), p. 140. In 1963 Lucien and Jane Hanks wrote: "Western doctrines of sex roles include a sharper distinction between the sexes than has traditionally been the case in Thailand. . . . When earning power becomes the measure of authority, . . . Thai women are in danger of lowering their position as equals in the marriage partnership." L. M. Hanks, Jr., and J. R. Hanks, "Thailand: Equality Between the Sexes," in B. E. Ward (ed.), *Women in the New Asia* (UNESCO, 1963), pp. 424-451.

The hypothesis that modernization undermines the status that women of developing nations traditionally possessed has generated policies and large-scale programs for the economic development of women in Thailand and other Third World countries by such organizations as the Population Council and the UNFPA (U.N. Fund for Population Activities).³ However, there has been little analysis of the retention of power equity between the sexes during the post-World War II period of rapid socioeconomic development in Thailand.

In this article I examine the recent history of traditional status markers of Northern Thai women in order to identify how they might have changed and to assess what the changes imply for the position of the Northern urban woman in Thai society. First I will identify traditional status markers for women as derived from the ethnographic literature. Next I will examine factors associated with socioeconomic development that erode the traditional status markers. And finally, I will discuss emerging status markers for urban women of Northern Thailand. But before beginning, I would like to clarify my definition of status.

When Thai speak about social status (*thaana*), they usually infer the degree of prestige, esteem, or honor inherent in a rank, with rank understood as a social identity such as mother, monk, lieutenant, teacher, or royal descendant. According to Lucien Hanks, different ranks imply different degrees of control over different types of people.⁴ Extending Hanks' definition, I will address status as a function of both control over resources and social inequality in access to resources. Because my interest is in change in the status of Thai women, I will look for changes in women's access to and utilization of resources relative to previous times and to contemporary Thai men. Within this framework, status markers will be equivalent to status-giving resources over which the women have control.

Traditional Status Markers of Northern Thai Women

In the relative absence of ethnographies for urban Northern Thailand, I have reviewed the literature from the rural North. A regional focus is necessary because the resources contributing to women's status vary by region. For example, domestic spirit cults, as we shall see, have been a salient resource under the control of Northern Thai women, but none

3. J. Bruce, "Roles and Status of Women: Program of Activities for 1978-79" (International Programs, The Population Council, New York, 1977, Mimeographed).

4. L. M. Hanks, Jr., "Merit and Power in the Thai Social Order," *American Anthropologist*, 64:6 (1962), pp. 1247-1261.

existed for Bang Chan villagers of Central Thailand in the 1950s, and they have been under the control of men in Ubon in Northeastern Thailand.⁵

The ethnographic picture of relationships between women and men in village Northern Thailand reveals the possibility of role interchangeability in every function aside from motherhood and monkhood. For extreme examples, while their numbers were small, some men were midwives and some women were warriors. Although Chiang Mai was founded and ruled by men, its neighbor Lamphun was first ruled by a woman. The Lamphun Chronicle tells how Camadevi, a woman of royal parentage who was renowned for her Buddhist piety, was chosen to establish a government over the autochthonous Lawa people in Haripunjaya. She left her husband to become queen and founded Northern towns such as Tak and Hoot on her way. In interpreting this myth, Swearer identifies Queen Camadevi as personifying political authority and civilization, a characteristic rarely attributed to her 20th-century descendants.⁶

Recorded history also provides accounts of female prowess that are routinely taught to school children in Thailand. For example, in a war with the Burmese, Srisuriyotai, Queen of 16th-century Ayuthya, intercepted the Burmese king's elephant with her own in order to spare the life of her king and husband. In 18th-century wars with the Burmese, two sisters, Thao Thep Satri and Thao Sri Sunthorn, took up arms and successfully routed invading armies from the island of Thalang. And in the early 19th century, Khunying Mo of Nakhorn Rajasima outwitted her Lao captors and enabled her husband and his troops to vanquish them. Because of their royal status, these women had vast human and material resources under their control. It is noteworthy, given the common associations in Thai society of greater age with wisdom and respect, and of female fecundability with weakness and vulnerability, that the women were young in their moments of glory. The wealth and status associated with their nobility or royalty apparently compensated for their lack of seniority in age.

Peasant women of Northern Thailand acquired prestige through motherhood, morality, the market, and longevity. The associated resources controlled by women have been children, karma and ancestral spirits, money, and life experience. These resources or status markers are

5. L. M. Hanks, Jr., "Changes in Family Life" (Unpublished manuscript, 1959), p. 4; W. J. Klausner, *Reflections on Thai Culture* (Bangkok: Suksit Siam, 1981), p. 64.

6. D. K. Swearer, *Wat Haripunjaya: A Study of the Royal Temple of the Buddha's Relic, Lamphun, Thailand* (Missoula, Montana: Scholars Press, 1976), p. 17.

closely interrelated, although morality was the supreme marker, just as it was for men. Higher fertility is associated with greater age, and both greater age and greater number of children are evidence of a larger store of merit. My Chiang Mai informants clearly interpreted childbearing in the moral terms of Buddhism, saying that bearing a child improves a woman's karma both by providing a *winyan* ("life principal") with a body and home for its reincarnation as a human being, and by assuring a woman's merit, when aged or deceased, through the acts of her children.

Motherhood has long been essential for Thai women. In fact, it has superseded royal rank as a status marker for women. Young reported that among turn-of-the-century nobility in Bangkok, "great respect [was] shown to the condition of motherhood, a wife of low rank with children being of far more importance in the family than even the chief wife, should she be childless."⁷ Childlessness has been so abhorrent among the Thai that it is grounds for legal divorce and has been associated with the majority of broken marriages in Northern villages.⁸ While women could live without husbands, they could not live without children. Common ways to prevent childlessness in the North have been serial monogamy, usually leading to a biologically compatible mate and concealed adoption. Until the advent of birth control in the 1960s, Northern Thai women sought the ideal of "two children every three years" (*saam pii son khon*) and continued bearing children until menopause, when, on average, they had had six to seven living children.⁹ In the event of broken marriage, any children almost invariably stayed with the mother rather than with the father.

Motherhood apparently was valued for numerous functions. It provided needed labor for agricultural subsistence; it provided sons who could make merit for parents by being ordained as Buddhist monks; it provided daughters to help with domestic responsibilities, to bring strong husbands into the household labor force, and to maintain the lineage through childbearing; it was evidence of accumulated merit and harmony with the spirit world; and it also was satisfying. Jane Hanks reported, "Such was the satisfaction of women in this female role that many said they would like to be reborn as women. Few want to be reborn as men. . . ."¹⁰ Having many children was thus clearly a woman's wealth and her greatest resource.

7. E. Young, *The Kingdom of the Yellow Robe*, 3rd. ed., (London: Archibald Constable, 1907), p. 99.

8. G. Pejeyewardene, personal correspondence with author, October 17, 1975.

9. J. Knodel and Visid Prachuabmoh, *The Fertility of Thai Women*, Chulalongkorn University, Institute of Population Studies, Research Report No. 10 (Bangkok, 1973).

10. J. R. Hanks, *Maternity and its Rituals in Bang Chan*, Cornell University, Southeast Asia Program, Data Paper No. 51 (Ithaca, N.Y., 1963), pp. 76-77.

This information prompts the question: Were children a greater source of status for women/mothers than for men/fathers? The ethnographic literature and my own fieldwork in Chiang Mai suggest this was so for the following reasons. First, outside the domestic agricultural domain, men had more arenas for accruing and dispensing resources than women had. The military, monkhood, education, and political office were almost the exclusive province of men. Men shared the market with women, although petty trade was conventionally women's domain. That is, for men, children were one of many different obtainable resources.

Second, within the domestic domain almost all of women's resources depended upon children for their usefulness. The female-associated resources included the house and houseplot because uxori-local residence and female ultimogeniture of the house were preferred patterns. A consequence of the preference for uxori-local residence was that sisters tended to live as neighbors to each other. This had several advantages, one being solidarity among female consanguines.¹¹ The solidarity provided a ready cushion of economic and emotional support that substituted for absent husbands. It also was the common source of children for childless women: Although adoption was rare, it was common for a childless woman to raise one or more of her sister's children as her own.

It was also important to keep the house in the maternal line because matrilineal spirits kept presence and watch there. There were no patrilineal spirits. The spirits, called *phii puu nyaa*, were tutelary. When tended daily in the strict privacy of the main bedroom, and sometimes also in a small three-walled hut on stilts outside the house, they were said to bring well-being to the family. They were propitiated by matrilineal groups annually at Northern new year, when there was a serious illness in the family, and to denote the marriage of a daughter, and sometimes of a son. Only when offended did the spirits cause harm, usually in the form of illness of a single family member. The spirits were said to take offense either when they were neglected or when an unmarried daughter was touched by a man in her home. In the latter case, the spirits' favor was routinely reacquired by the man's paying a fee to them; the payment represented either marriage or compensation for the breach of morality according to the wishes of the couple. The cult of the spirits thus exercised social control over the sexual behavior of unmarried daughters and men, and encouraged marriage, uxori-local residence, and the acquisition of additional male labor in the family. The resources controlled by

11. W. Irvine, "The Thai-Yuan 'Madman' and the Modernizing Developing Thai Nation as Bounded Entities Under Threat: A Study in the Replication of a Single Image" (Ph.D. diss., University of London, 1982), p. 258.

women through the domestic spirit cult thus included health and well-being of the family, male labor, and daughters to perpetuate the maternal line.

Data from my fieldwork in Chiang Mai city suggest that the cult of matrilineal spirits also helped maintain the house and houseplot as a valued resource of women. In 1973 one of my neighbors rallied her *phii puu nyaa* as allies in an argument with her drunken husband. When he snapped, "If you don't like it here, divorce me and leave!," she retorted, "Fine! At last we agree on something! I'll go the courthouse and get divorced tomorrow. But if anyone leaves, YOU are the one who will. Remember: This is MY house. The spirits of MY mother and MY mother's mother and of their forebears are all here. And they are MINE, not yours: they protect ME and my children, not you!" The husband then deftly changed the subject, charging, "How come you always scream at me?"

In some families, apparently those of Mon or Burmese heritage,¹² there were domestic spirit rituals involving spirit possession of women. These spirits were called *phii mot* or *phii meng* in the Chiang Mai-Lamphun-Lampang area. They were tutelary, domestic, matrilineal, and unnamed. They were propitiated at considerable financial expense primarily in the event of severe or prolonged illness of a family member, or every one to five years, at which time they would take possession of certain female householders in dance (*fon*). The ritual for *phii mot* was closed to all but members of its cult; that of the *phii meng* was more open to outsiders. There is some speculation that the *phii mot* and *phii meng* cults are the origin of the *phii puu nyaa* cult.¹³ In any event, they represent similar resources under the control of women.

Wealth in the form of jewels and money has traditionally been a resource over which women have had control. Thai women are so commonly reported as having responsibility for petty trade and the management of the household economy that I will not take the time to reiterate the point here. It is important, however, to point out that women's economic control was managerial, with the household rather than the individual as the basic economic unit, and that women carried the responsibility to make ends meet, especially when men in the household could not do so.

12. W. A. R. Wood, *Consul in Paradise—69 Years in Siam* (London: Souvenir Press, 1965), p. 96.

13. S. Chotisukharat, "Supernatural Beliefs and Practices in Chiangmai," trans. G. Wijeyewardene, *Journal of the Siam Society*, 59:1 (1971), pp. 211–231; G. Wijeyewardene, "Scrubbing Scurf: Medium and Deity in Chiang Mai," *Mankind*, 13:1 (1981), pp. 1–14.

Having defined the predominant resources over which Northern Thai women have traditionally had control as children and ancestral spirits, I would like to point out that these resources demarcate the status of women as the crucial earthly link in the cycle of human reincarnation. The women have been the living fulcrum between the past and the future, between ancestors and descendants, and between the dead who are to be reborn and the living who are to die. In the remainder of the article I will explore what happens when either or both of these resources begin to decline.

The Demise of Traditional Status Markers of Northern Thai Women

There are at least two aspects of Thailand's socioeconomic development that directly erode the traditional status of Northern Thai women as defined above. Both aspects are demographic. First, migration in search of employment or income for self or for husband has tended to separate a woman from the house of her parents, from the residence of her ancestral spirits, and from her female consanguines. Second, population control policy and programs have reduced the average number of children a woman has. Both of these phenomena have emerged in Thai society only since World War II, yet both are powerful instruments of sociocultural change. Following the sequence of their development, I will discuss the effect of migration on Northern Thai women's traditional resources first.

There are no figures from which a baseline level of female migration rates can be determined prior to the 1960 national census, although there were a few studies of male migration from the poverty-stricken Northeastern region to Bangkok in the 1950s. However, census data show that females at every age increased their mobility in the decade between 1960 and 1970. In fact, teen-age women outnumbered men as migrants to municipal areas such as Chiang Mai. The motivation for female migration at all ages apparently was principally to stay with family/husband or to seek economic gain. While considerable attention has been focused upon the socioeconomic problems of the female economic migrants, such as unemployment, exploitation in factory labor, and prostitution,¹⁴ there has been little study of the effects of women's

14. Nantanee Jayasut et al., *The Status of Thai Women in Two Rural Areas* (Bangkok: National Council of Women of Thailand and Thammasat University, 1977); Kattiya Karnasuta, "Development Planning for Women in Thailand," *Thai Journal of Development Administration*, 18 (1978), pp. 679-704; Jirananth Phitprichaa, *Lookh Thii Sii* (The Fourth World), (Bangkok: Chulalongkorn University, 1975); Pasuk Phongpaichit, *From Peasant Girls to Bangkok Masseuses* (Geneva: International Labour Office, 1982); K. Thitsa, *Provi-*

leaving home on domestic traditions or women's traditional status.¹⁵

My data from women householders of low socioeconomic status in Chiang Mai city in 1973 indicate a demise of adherence to traditions associated with maintenance of matrilineal ancestors. It appears that traditional domestic morality is hard to maintain when women are mobile. In my urban Chiang Mai population, as in Mougne's rural Chiang Mai village, proportionately fewer migrants than nonmigrants still maintained the spirits. Of those 145 urban women who still observed rituals associated with the matrilineal spirits (*thuu phii puu nyaa*), only half (56%) were lifetime migrants, whereas three-quarters of those 68 who no longer observed such rituals had moved at least once since birth. Maintenance of the spirit cults can, however, be compatible with female migration: The migrant woman may either return home for major ritual observances or become the head of the lineage in her new home. Nevertheless, when women migrate long distances, some give up (*thing*) the ancestral spirits altogether.

Aside from long-distance migration, reasons commonly given for the foresaking of ancestral spirits by urban Chiang Mai women included the following: lack of a daughter to carry on the ritual observances; husband did not want his children to mind the spirits; belief that ancestral spirits are old-fashioned; belief that modern medicine is a more reliable cure than ancestral spirits; and, most commonly, death of the senior lineage person responsible for maintaining the spirits. Most of the informants who had not given up observance of the ancestral spirit cult nevertheless were aware that it was discordant, if not incompatible, with what they perceived as modern knowledge. Many regarded giving up care of the spirits as an important marker of modernity (*bua mai*) and of a break with blind tradition. The high prevalence of such beliefs suggests that observance of the spirit cult will continue to diminish. In consequence, one might predict a breakdown of the matrifocal system and of residential female sibling groups, with a concomitant loss of female control over household membership, sexual morals among single youth, and respect for family elders.

A second dimension of socioeconomic development that impinges upon women's status is the recent development of population control policies and programs in Thailand. The nation observed a pronatalist

dence and Prostitution: Image and Reality for Women in Buddhist Thailand (London: Change, 1980).

15. One exception is the dissertation by C. Mougne, "Social and Economic Correlates of Demographic Change in a Northern Thai Community" (Ph.D. diss., University of London, 1981), pp. 460-477.

policy through the 1960s. The population size grew from about eight million in 1911 to over 26 million in 1960. A 1959 World Bank economic mission study reported that the high Thai growth rate would adversely affect the country's economic development. The findings of numerous studies in the 1960s resulted in the promulgation of an official population policy in 1970. Since that time each successive five-year plan of the National Economic and Social Development Board has called for further reduction of Thailand's rate of population growth. The successive goals have usually been exceeded because of widespread adoption and the practice of birth control by women (efforts to induce men to adopt birth control have met with limited success).

The reasons that Thai women accepted birth control so readily are admittedly complex, but have generally been characterized as economic.¹⁶ My urban Chiang Mai informants frequently explained that childbearing had recently become expensive; that given the new economic order, poverty was a reality or a real possibility; and that the best survival strategy for both economic and moral ends was to have fewer children than their parents had so that the children could be adequately schooled and provided for. That is, the economic value of children has flipped from positive to negative.

While such attitudes lowered fertility rates in Chiang Mai earlier than in the rest of the country, they have also had wide effect nationally. The total fertility rate for the country dropped from 6.5 births per woman in 1962-63 to 4.0 in 1974-75. The annual rate of population increase fell from 3.2% in 1960 to under 2% by 1982, and it is projected to fall to 1.5% by the end of 1986.¹⁷ In the interim (1960-77), the national crude mortality rate reportedly dropped by half, from about 15 per 1000 to 8 per 1000, thereby extending the life expectancy for women from 39.4 years in the decade 1937-47 to 64 years by 1975.

These demographic trends have direct implications for the status of Thai women. The trends reduce the intensity of motherhood by lowering both the proportion of a woman's lifetime devoted to childbearing and the total number of children a woman bears. Furthermore, longevity has become more common, but its power as a female status marker has been eroded by the loss of its traditional correlates of descendants, house, and land.

16. Ibid., p. 87; M. A. Muecke, " 'Reproductive Success' Among the Urban Poor: A Micro-Level Study of Infant Survival and Child Growth in Northern Thailand" (Ph.D. diss., University of Washington, Seattle, 1976), p. 172.

17. *National Family Planning Programme: An Overview* (Bangkok: Ministry of Public Health, 1982).

The combined effect of the changes in the major demographic patterns of Thai society over the past 20 to 30 years is to threaten the status that Northern Thai women have traditionally held. Marked increases in female migration appear to be associated with a decline in the recognition of matrilineal ancestors as a resource under the purview of women. Simultaneously, marked decreases in reproduction rates have reduced the number of children a woman has and thereby the scope of female control over the succeeding generation as well. Meanwhile, more women are living longer, but now without the traditional resources associated with senior age.

The Emergence of New Status Markers for Northern Thai Women

The evidence presented up to this point on the change in status markers of Northern Thai women can be seen as demonstrating the general rule that as nations become increasingly and more complexly integrated into an international economy, the resources they recognize and value change. The development of relationships with other capitalistic nations that typically occurs with modernization often involves the contagion of capitalistic values. Education and wealth have thus come to have new meaning in Thai society and to be predominant status markers for women and men alike.

Education is widely valued as preparation for potential access to the civil service and socioeconomic security, or at least for potential access to salaried jobs. Wealth can of course be acquired through routes other than education. For example, among the rural and urban women of the poorly educated lower socioeconomic sector, wealth is increasingly sought, and occasionally acquired, through spirit mediumship and through urban migration for prostitution.¹⁸ While such roles are recent and tangential elaborations of prior latent traditions (in these cases, of the ancestral spirit cult and of polygyny, respectively), the economic function they serve is strongly rooted in the traditional assignation of responsibility for the domestic economy to women.

While my discussion thus far has focused upon the nonroyal, non-wealthy, nonelite women of Northern Thailand, it is necessary to recognize that their status as women may be affected by the women of the "upper crust" of society. Some women among the elite are contributing to

18. Irvine, "The Thai-Yuan 'Madman'," pp. 316-381; *Phaen phatanaa satrii raya yaaw* (2525-2544) (Long-term plan for the development of women, 1982-2001), (Bangkok: National Committee for Economic and Social Development, 1981); Phongpaichit, *From Peasant Girls*.

decisions to establish, expand, or enrich the resources of Thai women in general. It appears that the prerequisite consciousness of women's status as an issue already exists. It is formally expressed in professional organizations such as the Business and Professional Women's Association of Thailand, the Women's College Alumnae Association, the Association of Thai Women Lawyers, and the National Council of Women of Thailand. The Royal Thai government has a section for Women's Affairs, but not for Men's Affairs, in the Office of the Prime Minister. And there are numerous university-based women's groups, such as Thammasat's *Klum Ying*. Chulalongkorn University's women's group published a famous treatise calling women an underprivileged population that constitutes "the fourth world."¹⁹

Concern for the status of women has also begun to appear in contemporary Thai literature.²⁰ Some modern literary heroines are more interested in contributing to society than to a man. However, works that espouse a Marxist interpretation of women as a suppressed class, such as *Lookh Thii Sii* (The Fourth World) and *Jon Kwaa Raw Ja Phop Kan Mai* (Until We Meet Again), have been banned since the October 1976 change of government.

The status of women is also affected through the law, the government, and the monarchy. The year 1976 raised women's legal rights to a closer approximation of men's: A new family law awarded women the same rights as men to divorce, and a government decision allowed women to be given diplomatic posts. Immediately thereafter, two women were made government ministers for the first time in Thai history (Khun Ying Loesak Sombatsiri as Minister of Communication, and Mrs. Wimon Siri Chamnanwet as Minister of the Bureau of State Universities). There are, however, no female members in the current government. At lower levels of government, 1981 brought the first woman to the position of *kamnan* (head of a subdistrict, or *tambol*), and 1982 brought the first three women ever to the position of *phuuyaibaa*n (head of a village). One of the new village heads told a newspaper reporter,

19. Phitprichaa, *Lookh Thii Sii*; Amara Pongsapich, "Thailand Country Report: Status of Women [sic] Studies in Thailand" (Paper presented at the Women's Studies and Social Sciences Meeting of Experts, New Delhi, October 4-8, 1982); Karnasuta, "Development Planning."

20. Nopamas Dhiravegin, "The Role of Thai Women [sic] in the Thai Educational System and its Implications for Social Change in Thailand" (Paper presented at the Thai-European Seminar on Social Change in Contemporary Thailand, University of Amsterdam, May 28-30, 1980); Mattani Rutnin, "The Change in the Role of Women in Contemporary Thai Literature," *East Asian Cultural Studies*, 17:1-4 (1978), pp. 101-109.

If men can do it, women can do it, too. . . . If there is a case of crime coming up, I know I can go out in the fields to chase the thieves. Do you think men are more daring than women? Bullets do not choose the sex of their targets, you know.²¹

Finally, the supreme status-giver, the Thai monarch, in 1977 made a momentous decision affecting the prestige of Thai women. The King conferred upon his daughter, a woman younger than the crown prince, the right to become the monarch. Somdech Phratheep is the first woman ever to receive that title in the history of Thai society, although Rama V appointed his wife Saowapa as Regent, giving her equal status as ruler, while he visited Europe in 1897.

This new status markers—education, wealth, and political position—are, however, class associated. Their increasing accessibility by women is promoting gender equality among the elite, but simultaneously emphasizing socioeconomic discrepancies in Thai society. For the nonelite urban women, education, wealth, and political position continue to be less accessible than they are for men. Prospects for change in the status of women in the lower socioeconomic sector depend upon removal of gender-specific barriers to status-giving resources. A recent government study has identified these barriers as lack of legality of abortion, lack of equal pay for equal work, and lack of time to devote to self-development because of heavy domestic responsibilities.²² There is strong evidence that nonelite women not only desire the status markers of the elite, but also have strategies for obtaining them. That is, the majority of disadvantaged are making rational choices to achieve status. The choices include the practices of abortion, urban prostitution, and urban migration for employment. The strategies clearly are to make money, not babies.

21. *Bangkok Post*, September 30, 1982.

22. *Phaen phatanaa satrii raya yaaw*.

HONG KONG AND THE CRISIS OF SOVEREIGNTY

William H. Overholt

Britain seized Hong Kong Island in 1841 to punish China for confiscating large amounts of opium that Britain was importing into China and forced on China the 1842 Treaty of Nanking. In 1860 China ceded the Kowloon peninsula to the British in the Treaty of Tianjin. In the 1842 and 1860 treaties, China ceded the territory in perpetuity. In 1898 Britain forced China to sign a 99-year lease on the much larger "New Territories" (now 92% of the total territory) in order to balance concessions China had made to France. The Chinese attitude toward all three treaties is roughly what the U.S. attitude would be to a treaty that ceded Russia sovereignty over New York as punishment for U.S. laws banning importation of massive amounts of heroin.

At the same time, Hong Kong has played a useful economic role in China. For the Qing dynasty, the early Republican government, the warlords, the Kuomintang, and the Communists alike, Hong Kong has been a crucial source of foreign exchange and a place where one could do needed business with the foreign devil capitalists while isolating most of China from dangerous contact with Western society. The economic importance of Hong Kong is greater for the Communists than for their predecessors because the Communists have a great need for Western currency and technology and an even greater need to isolate most of the Chinese population from contacts with Westerners.

The policy of the People's Republic of China (PRC) has been to protect Hong Kong as a necessary economic and financial gateway. China's government has repeatedly stated that the "unequal treaties" ceding Hong Kong had no validity and that therefore the ending of the

William H. Overholt is Vice President of Bankers Trust Company and Editor of *Global Political Assessment*. The views expressed in this article are the author's alone and have not been reviewed or endorsed by the author's employers. This article is largely based on interviews in China and Hong Kong during September–October 1982 and March 1983.

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lease in 1997 was a matter of no concern. Even at the height of Cultural Revolution radicalism, Chinese troops ensured that rampaging Red Guards were prevented from causing trouble for Hong Kong. When the Portuguese tried to return Macao to China, the Chinese government refused to accept it, in part because the PRC wished to avoid panic in Hong Kong. But this was always a pragmatic economic choice, not a concession of ultimate sovereignty or of the validity of the treaties.

The 1982 Crisis

In 1979, on the occasion of the first visit to China by a Hong Kong governor, Deng Xiaoping said, "Your investors should put their hearts at ease." He repeated that formula in 1981. By 1982, however, according to British government sources, China indicated that it was thinking about the future of Hong Kong. At most, such thoughts were at a very early stage, and China did not feel ready for any formal discussions. But certain important Hong Kong investors, noting that the lease termination date was only fifteen years away, pressed Prime Minister Thatcher to insist on a formal extension of the lease. Mrs. Thatcher, perhaps more responsive to the issue than she would have been in the absence of the earlier Falkland Islands crisis, publicly announced her concern about such requests and raised it with the Chinese during a trip to Beijing in September 1982. The result was a mild communique characterizing their discussions as friendly and announcing diplomatic negotiations to ensure the stability and prosperity of Hong Kong.

When she left China, however, Mrs. Thatcher visited Hong Kong and made a speech in the course of which she declared, in reference to Hong Kong, that "treaties are made to be kept." In doing so, she reportedly disregarded the advice of Britain's professional diplomats, whom she regarded as discredited in the context of the Falkland Islands War. The Chinese took this to be an assertion of the validity of Britain's treaty from the Opium War and denounced Mrs. Thatcher bitterly. This diplomatic storm coincided with the peaking of a Hong Kong stock market boom, the nadir of the global recession, and the pricking of the extraordinary Hong Kong real estate bubble. Real estate prices fell about 40%. Because government revenues depend heavily on real estate taxes, this caused a large government budget deficit. The stock market fell from 1445 in August 1982 to 646 in October. Some conspicuous capital flight occurred. The Hong Kong dollar fell in value. Long visa lines formed outside the major Western embassies. The officers of one local subsidiary of a U.S. bank collectively demanded that the bank help them obtain U.S. visas, and the secretaries as a group demanded that the bank pay for Mandarin lessons so they would be ready when China took over.

Two major firms collapsed, and many firms were shaky. Fearful of cascading financial problems, the government decided to ask 90 of the colony's 357 deposit-taking companies to close their doors.¹ Foreign banks such as the Bank of China and Malaysia's Bank Bumiputra, among others, suffered from the property market fall. There was concern over the possibility of a wide-ranging economic collapse.

By mid-1983 the stock market and the Hong Kong dollar had partially recovered. The stock market climbed briefly past 1100 the third week of July 1983. The Hong Kong dollar was 6.11 to the U.S. dollar in September 1982, fell to 7.75 in June, and recovered to 7.24 by the end of July.² The atmosphere of panic disappeared. Expatriate investors recovered most of their confidence, but local Chinese businessmen remained deeply fearful. (Many of Hong Kong's Chinese business leaders came from Shanghai, where the nearly Communist government had reassured them about the future of their businesses in 1949 and then subsequently ruined them; for these businessmen, the trauma remains fresh.) The real estate market remained depressed because of severe overbuilding and lack of political confidence. The real estate depression clouded the future of the stock market, which depends heavily on real estate, and severely affected local credit markets because Hong Kong permits only real property (not merchandise) to be used as collateral. Hong Kong's problems, however, were lightened by a surprisingly early (fourth quarter 1982) pickup in textile orders as some of the Western economies began to recover. But severe political uncertainty will remain until Britain and China come to terms.

Early negotiations on Hong Kong took place in Beijing between a British team led by Sir Percy Cradock and a PRC team led by Zhang Wenjin. They appeared to make little progress, burdened as they were by the recent Thatcher declarations that "those who will break one treaty will break another" and by published Chinese support for the idea of self-governance by Hong Kong. While these talks were going on, Beijing covertly consulted Hong Kong's business and political leaders. The passage of the PRC's fourth constitution in December 1982 gave Chinese leaders a firmer base for making decisions. Zhang Wenjin was eventually given another assignment, the chief Chinese spokesman on Hong Kong Liao Chengzhi died, and a key British figure, Lord Belsted, was replaced after the 1983 British election that also provided Mrs. Thatcher with a firm political base for hard decisions.

1. Jesse Wong, "Colony to Ask Some DTCs to Close Shop," *Asian Wall Street Journal*, May 17, 1983.

2. The *Far Eastern Economic Review (FEER)* and the *Asian Wall Street Journal* carry exchange rates and Hang Seng stock market indices.

In May 1983 a delegation of private Hong Kong citizens went to Beijing to express their fears about the consequences of the self-rule proposal and were treated hospitably and seriously. By this time both sides appeared to have cooled off, to have consulted their experts, and to have put key domestic political controversies behind them. Further talks were held between the Chinese and Hong Kong Governor General Youde in Beijing in the summer of 1983 and subsequently, amid rumors that Britain was expressing its understanding of China's feelings on sovereignty and in the wake of China's return to its earlier formula that it sought to ensure both the stability and the prosperity of Hong Kong. Subsequent rounds of negotiation once again increased uncertainty, however, as China denounced British positions, pressed Hong Kong Chinese to demonstrate their loyalty to China, and threatened to impose a settlement unilaterally if negotiations did not succeed by September 1984. By early 1984 confidence increased again as differences were reported by the Chinese to be narrowing, due largely to British concessions.

The critical issues of *principle* in the negotiations are Beijing's determination to assert formal sovereignty and Britain's commitment to uphold the interests of Hong Kong's population. China regards the issue of sovereignty as a vital national interest and refuses to acknowledge Britain's right to speak for any of the interests of Hong Kong's Chinese population (who in Beijing's eyes are Chinese citizens). By late 1983 Britain had privately conceded sovereignty and was attempting to protect local Hong Kong interests in practical detail rather than asserting an overarching moral obligation.

The *practical* issues have been whether change will occur in 1997, earlier, or at "an opportune moment" in the indefinite future; whether Britain will retain a major role in Hong Kong after the change; whether China or the Chinese Communist Party will play any direct role in Hong Kong's governance; what changes in political and administrative arrangements will be made, and whether Britain will retain a role; whether Hong Kong will become self-governing; what guarantees if any will be provided by China to ensure Hong Kong's capitalist prosperity; and what social and economic policy changes if any might be required by Beijing's social and political principles. By early 1984 Britain had conceded any formal post-1997 administrative role, while China had promised to abstain from sending a governor from outside Hong Kong, to maintain a capitalist system and its prerequisites, to amend the new Chinese constitution to permit such an arrangement, and to maintain the negotiated arrangements for at least 50 years after 1997.

CHINA'S INTERESTS AND BARGAINING POWER

China seeks above all to assert its sovereignty over Hong Kong. This is an overwhelmingly important issue, but what China seeks is acceptance of its moral position, not necessarily direct rule over Hong Kong. Second, China seeks to maintain Hong Kong's prosperity because China's economy needs Hong Kong: Almost one-third of China's foreign exchange comes from Hong Kong.³ China has invested US \$5 billion in Hong Kong, and has 13 banks with 150 branches in Hong Kong. Much of the current government's outward-looking economic strategy depends on Hong Kong. Third, and also very important, China urgently seeks a solution in Hong Kong that will reassure rather than frighten Taiwan.

To assert its interests, China has a dominant military, economic, and moral position. Militarily, it can seize Hong Kong at any time. But it wishes to use its military position only as a bargaining lever in peaceful negotiations because a military solution would destroy the Hong Kong economy and frighten Taiwan. More important, because of the way Hong Kong was seized by the British, and because Hong Kong is surrounded by China, populated largely by Chinese, and was historically part of China, the Chinese government would have the unified support of its own people and the acquiescence of almost all foreign governments in an assertion of Chinese rule. China controls Hong Kong's water supply and much of its power and food supply. China also has the ability to stir up political difficulties or to cause economic uncertainty inside Hong Kong whenever it wishes.

BRITAIN'S INTERESTS AND BARGAINING POWER

Britain's goals are to avoid humiliation over Hong Kong, to continue to extract economic benefits from its administration of Hong Kong,⁴ to maintain good relations with China, and to ensure a livable future for Hong Kong's people. Although Hong Kong is the world's fourth largest financial market and a major British trading partner, Britain's economic and political interests in Hong Kong are relatively far less than China's,

3. See Frank Ching, "China Beginning to Reveal Earnings from Hong Kong," *Asian Wall Street Journal*, February 18, 1983, p. 1.

4. For an analysis of U.K.-Hong Kong economic interactions, see "Britain and Hong Kong," *Hong Kong Economic Report*, Hong Kong and Shanghai Banking Corporation, June 1983.

and are weakened further by the view of much of British labor that Hong Kong represents unfair competition for British workers.

Britain has strong bargaining power, however, because a Sino-British confrontation could wreck Hong Kong's economic usefulness to China, frighten Taiwan, and cause uneasiness toward China elsewhere in the world. Britain also controls billions of dollars, including the HK \$32 billion Exchange Fund, that are crucial to Hong Kong's financial stability.⁵

THE BARGAINING POSITIONS

Britain's initial position was that the existing treaties should be honored, that British administration of Hong Kong is required to maintain the colony's prosperity, and that China should negotiate an extension of effective British rule beyond 1997. However, Britain made clear that it would be flexible.

China's stated position is that China's sovereignty over Hong Kong cannot be questioned, but that Beijing will maintain the economic and social status quo in Hong Kong in order to ensure the territory's prosperity. Chinese leaders have explicitly stated that Hong Kong will remain capitalist, that it will remain a free port, and that the interests of local Chinese capitalists, overseas Chinese capitalists, and foreign capitalists will all be protected.⁶ They have stated that "Hong Kong should be governed by Hong Kong laws."⁷ The Bank of China has supported the Hong Kong and Shanghai Bank's plan to give mortgages running for 20 years.⁸ China has made substantial investments in Hong Kong and in nearby projects, such as a nuclear power plant, that will be economically viable only if Hong Kong is stable. China has suggested that Hong Kong should be ruled by Chinese, but by local Chinese rather than by PRC Chinese from outside Hong Kong; it has specifically suggested that no Chinese soldiers or administrators would be necessary and that British advisors would be welcomed in the absence of formal British administration.

All of this was very reassuring. But other Chinese officials suggested sporadically that China would want to clean up Hong Kong's crime and

5. See Anthony Rowley and Christopher Wood, "Hitting the Panic Button," *FEER*, June 2, 1983, pp. 108-110.

6. Author interviews in China, September 1982. See also Derek Davies, "The Pragmatists Prevail," *FEER*, January 20, 1983, esp. p. 27.

7. Derek Davies and Mary Lee, "Forward to Square Two," *FEER*, July 21, 1983, p. 13.

8. David Bonavia, "Alarms and Diversions, Then the 16-Character Solution," *FEER*, January 20, 1983, p. 32.

to put a cap on "unhealthy speculation" (the Bank of China was one of the biggest losers in the recent real estate collapse). A few Chinese officials, probably unrepresentative of top level thinking, initially suggested that Hong Kong could benefit from a dose of class struggle. There have been suggestions from other Chinese officials that the fall of the Hong Kong dollar was a conspiracy to weaken China's bargaining position or the work of a handful of speculators, rather than a market response to political uncertainty.⁹ Such ideas suggested that China's leaders might not fully understand the prerequisites of Hong Kong's capitalist prosperity.

THE PREREQUISITES OF HONG KONG'S PROSPERITY

Hong Kong's prosperity depends on a *free press* to circulate accurate, credible information and on an *appropriate educational system* for a capitalist economy; it can survive a ban on Taiwan's propaganda and on violent criticism of Beijing, but not much more. It depends on *freedom of travel, of capital movement, and of trade*. This implies, among other things, passports or other internationally acceptable travel documents different from those of PRC citizens. Hong Kong's economy needs a *convertible currency*, because international trade is Hong Kong's life blood. It needs a *Western legal system* to mesh with international concepts of the validity of contracts and security of individuals. It needs the *diplomatic status* to negotiate international agreements, for instance over textile quotas. To continue its extraordinary economic vitality, it needs a *market economy*, in which mismanaged or obsolete firms go bankrupt and forward-looking individuals and firms become rich—without much government damping of such transitions. It needs for its firms to have *control of their technology and information* and the *capacity to make their own decisions swiftly*. In addition, Hong Kong must have sufficient *confidence in the future* to avoid bouts of panic when factions change in Beijing. It must maintain sufficient confidence to encourage a flow of capital investment and to permit retention and expansion of a base of human skills. And it must avoid the kinds of welfare state pressures that would raise taxes and reduce the flexibility of the territory's economy.

While China wishes to be pragmatic and flexible, some of these requirements are subtle. The reasons why they are necessary may appear to many officials in Beijing, who have mostly lived their entire lives in isolation from the Western capitalist world, to be ideologically unaccept-

9. Mary Lee, "Softening on the Hard Issues," *FEER*, June 9, 1983, p. 43.

able nonsense. Cumulatively, they represent a rather heavy dose of concessions that would be questioned by some factions in Beijing.

FACTORS INFLUENCING THE ECONOMY AND THE NEGOTIATIONS

The most reassuring aspect of the negotiations from Hong Kong's viewpoint is the almost total agreement of China and Britain as to the importance of maintaining Hong Kong's prosperity and the resultant necessity of maintaining the social and economic status quo. Moreover, there is substantial consensus within Hong Kong on this point. Rarely do two (really three) sides to a negotiation have such a consensus on the desirable outcome. But the overriding priority of China's need to demonstrate sovereignty, and Britain's initial perception of a need to maintain some sort of official political preeminence to undergird its administrative and legal systems, present a formidable difficulty in ensuring the mutually desired socioeconomic status quo.

This difficulty creates uncertainties that will have real economic consequences regardless of the outcome of the negotiations. Moreover, the uncertainties have been exacerbated by overreactions on both sides. China reacted with enormous vehemence to Mrs. Thatcher's September 1982 speech in Hong Kong, and in the process probably changed the substance of its own negotiating position to an extent that did not serve China's long-term interests. While Thatcher's speech was ill considered, it could reasonably have been dismissed by Beijing as perfunctory rhetoric. On the Hong Kong side, there was excessive emphasis on the instability of Chinese politics and the implications of this for Hong Kong; but surely the long history of a stable Chinese relationship with Hong Kong, as outlined above, and the protection of Hong Kong even at the height of the Cultural Revolution, underline the stability of China's position on the subject.

While uncertainties persist, there will be some capital flight. More importantly at the moment, there is a tendency for capital to bypass Hong Kong and a tendency for indigenous capital to avoid longer-term investments. The Hong Kong government and the PRC are quick to reassure people that there is net capital inflow to Hong Kong. But the statistics measure only flows through banks, and much of Hong Kong's capital does not circulate through banks. The statistics also do not measure the extent to which Hong Kong has missed opportunities for capital inflow, the extent to which special inflows from Indonesia and elsewhere have sometimes masked important outflows, the extent to which government manipulation of the way it pays its own bills has masked outflows, and the extent to which the people of Hong Kong have shifted

their holdings from Hong Kong currency into other currencies. (This latter shift, worsened by tax discrimination in favor of foreign currencies, has weakened the Hong Kong dollar.) There is limited panic outflow, but there is a large opportunity cost.

The uncertainty affects the sectoral growth of Hong Kong. Much of Hong Kong's economy, notably textile manufacturing, thrives on a short-term, risk-averse perspective, and is little affected by current uncertainties. Textiles continue to flourish. Hong Kong's role as a tourist center and entrepot is somewhat affected by uncertainties, but not much. Indeed, in the short run, the cheap Hong Kong dollar has substantially enhanced tourism. For the important electronics industry, there may be a more significant cost. Although Hong Kong can work wonders overnight in many aspects of electronics, the pace of change in key parts of the electronics industry may require somewhat longer-term investment these days (there are legitimate controversies about this). Certainly the electronics industry requires a middle class with high technological skills. Probably the greatest cost to Hong Kong of the current uncertainty is the fear within this middle class that their families have no future in Hong Kong; when this group shifts, as much of it has, from enthusiastic devotion to raising a family and fortune in Hong Kong to preoccupation with an assured escape route, the electronics industry has a long-term problem.

The most severe problem is that of the overbuilt real estate industry. Much of the important building activity assumes payback periods of 15 to 20 years. The real estate market is so glutted that only a broad-based, longer-term recovery can match demand to supply. Real estate therefore will not revive completely in the presence of uncertainty about the immediate future and the 13-year future. As noted earlier, other key aspects of the economy are, for the time being, greatly affected by real estate.

Finally, the future of Hong Kong is connected to that of the adjacent special economic zones of China, notably Shenzhen. These are areas where China has allowed foreign firms special access, created exceptions to China's economic rules in order to attract foreign capital, and provided special infrastructure. They are halfway houses to Hong Kong, designed to serve the same purposes as Hong Kong: gaining the economic benefits of Western methods while limiting the exposure of the Chinese population to Western culture. Much of China's grand economic strategy depends on the success of these zones.

Fear has been expressed that, if these are too successful, then Hong Kong could become obsolete. So far, the opposite seems to be occurring. Shenzhen grows ducks for Hong Kong's restaurants, provides housing

for Hong Kong's population, provides a destination for Hong Kong tourists, allows Hong Kong firms to bypass Hong Kong's textile quotas in the U.S. and Europe by operating out of Chinese territory, and even sells graveyards for HK \$10,000 per plot as compared with HK \$200,000 in Hong Kong itself. China is building a nuclear plant that would not be viable financially without Hong Kong's demand. Therefore, China's dependence on Hong Kong's continued capitalist prosperity is actually increased by Shenzhen. Meanwhile, China has also invested directly in Hong Kong; among others, the Bank of China made a major property investment in 1982 and committed itself to a major textile venture in 1983.¹⁰

Scenarios for the Future

Economically, the ideal scenario for Hong Kong's future would be the *status quo with British sovereignty*. The vast majority of the Hong Kong population wants this. There is no possibility whatever of its occurring. The feelings in China simply run too deep. Likewise, China absolutely rejects the possibility of an *independent Hong Kong*. Only a Hong Kong under China's flag, with important but unspecified administrative manifestations of PRC sovereignty, will satisfy China's nationalism. A third possible outcome, exemplified by Beijing's frequent suggestions that Hong Kong's indigenous population should rule, is local autonomy based on democracy. Two groups have sprung up within Hong Kong to press for such an outcome.¹¹ This democratic solution gives rise to several subscenarios.

Aden scenario Aden, like Hong Kong, was a tremendously successful entrepot, but at independence it became a wild, violent, barbaric communist outpost. Hong Kong's different culture, higher level of education, and susceptibility to Chinese power, along with British determination not to pass power in Hong Kong to such radical groups, ensure that this could not occur.

Democratic Welfare State scenario Self-rule could quickly lead to the emergence of pressure groups for welfare, for slower adjustment to economic forces, etc., in the manner of successful democracies nearly everywhere. Maintenance of the existing economic rules of the game

10. See Victor Keung Fung, "China Forms First Industrial Venture in Hong Kong," *Asian Wall Street Journal*, June 10, 1983, p. 1.

11. The groups are "Meeting Point" and "Hong Kong Observers." See Hong Kong Observers, *Pressure Points* (Hong Kong: Summerston Eastern Publishers, 1981), among others.

under democratic self-rule would be likely if Hong Kong had a homogeneous population that understood and uniformly accepted those rules, including meek acquiescence by the losers in the economic struggle. But in fact the rules are imposed by the British on exceedingly diverse and assertive population groups, many of which neither fully comprehend nor fully accept the system that produces their economic benefits. Hence, autonomy and full democracy would mean slower growth. This would not serve China's economic interests, but some approximation of it is not an unthinkable outcome. Probably, though, China and Britain would both perceive themselves as having such an interest in more rapid growth and would both sufficiently fear explosive forces within a slower growing Hong Kong that they would prefer a system more centrally controlled in politics and more free-wheeling in economics.

Singapore scenario An evolution along the lines of Singapore, which began as a somewhat leftist welfare-state democracy but quickly evolved into a one-party-dominant state under Lee Kwan Yew, would serve everyone's economic interests and would gratify Britain politically. But China would do whatever was necessary to resist the rise of a political leader as strong as Lee. Moreover, strong political leadership on the Lee Kwan Yew model presupposes Singapore-style government control of the economy; movement from Hong Kong's almost laissez-faire system to Singaporean state-managed entrepreneurship would be a drastic transformation, potentially disastrous if done quickly.

Because each of these self-rule scenarios has severe defects from Beijing's point of view, as well as from that of Hong Kong's population, a quick move toward any of these scenarios in any pure form would bring a collapse of confidence. In May 1983 a group of Hong Kong leaders led by Allen Lee bluntly informed Beijing that this was so.¹² Thus, despite China's early enthusiasm for self-rule, within the social and economic status quo, such a scenario has risks that would threaten full economic success. More desirable for those who seek to preserve Hong Kong's economic dynamism is an upgrading of local influence that stops far short of full democratic self rule. To the extent that Hong Kong moves toward docile self-rule of any kind, it will sacrifice its extraordinary economic dynamism.

Some people initially believed in a *Hong Kong ruled by a Chinese-appointed communist official* who, however, would have the job of maintaining Hong Kong's existing system. This certainly would not be stable, because any communist official, or even Beijing-appointed noncom-

12. See *Asiaweek*, June 24, 1983, p. 72.

munist official, would inevitably come under pressures from factions within the Communist Party and from groups in Hong Kong itself to undermine some of the prerequisites of capitalist success listed earlier. For much of the Communist Party, such issues are not just pragmatic choices but immoral practices. This scenario relies on an image of a communist governor who would reign but not really rule and under whom Hong Kong's able public administration would continue to operate. Such an image has two flaws. First, the administration cannot function without decisive political direction; there is no such thing as administration without politics. Hong Kong's leadership faces almost as broad a range of domestic political decisions as the leadership of most independent states. Second, the key role would not be that of the governor, but of the Communist Party, which would insist on the right to organize and would therefore become, willy nilly, a major political force. China understands this and has never pressed for such a solution.

Direct Chinese management is an outcome currently desired by neither China nor Britain nor any major portion of Hong Kong's population. It would therefore result from negotiating miscalculations. When both China and Britain were posturing in October of 1982, there was risk of a collapse of confidence of such magnitude that the British position would become untenable and China might have to move in.¹³ While a negotiating impasse, a return to dangerous posturing, and a collapse of confidence are still theoretically possible, the likelihood of such an outcome was never great and has now been minimized.

Finally, China could in effect grant an explicit *management contract* to Britain or, in an implicit version of the same thing, throw its weight behind an expatriate/local coalition that would enhance the role of the indigenous Chinese, but maintain the essence of the current system. The coalition would have to have real political power, not just administrative authority, but this could be consistent with Chinese concepts of sovereignty. This would create a *combination of indirect democracy and trusteeship*. Wags have suggested that the Board of Directors of the Hong Kong and Shanghai Bank, which is divided roughly evenly between British and Chinese industrialists and financiers, would constitute the ideal Hong Kong leadership. Such a leadership, rendered partially self-perpetuating by an indirect system of election and by support from Beijing, but also rendered modestly susceptible to popular pressures by

13. For such a scenario with emphasis on the financial aspects, see Anthony Spaeth, "Bad Dreams About Hong Kong's Future," *Asian Wall Street Journal Weekly*, July 11, 1983, p. 15. See also Anthony Rowley, "A Crisis is Averted But Root Causes Remain," *FEER*, November 26, 1982, p. 60.

the fact of elections, could conceivably manage Hong Kong so as to preserve its ruthless dynamism. Those who advocate democracy would not be happy with such a system. The key point here is that PRC and British economic goals, which are the paramount interests of those two powers, would be well served by such a system. The new Chinese constitution permits "special administrative zones," Communist China has always had autonomous regions, Chinese tradition legitimizes such pragmatic arrangements, and China is anxious to demonstrate to Taiwan that such a formula can work. Presumably this is the outcome most desired by realistic British negotiators. But it would be acceptable to China only if Britain were to capitulate completely on all symbolic issues associated with sovereignty. China would probably also require substantial upgrading of the representation of local Chinese in the Hong Kong government at the expense of expatriates. China would then designate Hong Kong a special administrative zone.

Such a system seems the logical outcome of British and Chinese national interests and of current negotiating trends. In theory, it would work. There is no guarantee, however, that the two powers will concur completely or that, even if they concur, they will find a fully workable solution on the first try. To the extent that they miss the mark, Hong Kong's future economic performance will decline from the roughly ten percent per year performance of the past generation. If there is a problem, it would most likely consist of too much Beijing influence, too much influence by pressure groups indigenous to Hong Kong, too much uncertainty about the details of the 1997 transition, too much regulation (including requirements to disclose information or to obtain prior approval for key decisions), or too much uncertainty about the ways in which the previously discussed prerequisites of economic success are to be defended.

If there is a significant decline in economic dynamism, this would not inherently constitute a disaster. If, for instance, growth declined from ten percent to five or six percent, this would still be far superior to the economic performance of most of the Third World. But in Hong Kong there would be risks even in such relatively superior performance. Long-run expectations of five or six percent growth would create enormous incentives for the professional class to emigrate; the political and economic risks of Hong Kong are acceptable only if offset by extraordinary opportunity. Hong Kong's economy depends on the commitment of large numbers of professionals and entrepreneurs to focus their short-term attention on making money in Hong Kong rather than on escaping, and on their long-term commitment to raise families in Hong Kong. Thus expectations of a serious reduction in growth rates are more

serious in Hong Kong than elsewhere; there is a potential multiplier effect at work in the decline of professional and entrepreneurial commitment and in the willingness of the working class to accept Hong Kong's rigors.

In summary, there is a theoretical solution to the dilemma of Hong Kong. This solution would not be rigorously democratic, but it could be politically popular and economically successful. But the success of the negotiations does not ensure the success of the economy, and the negotiated political outcome will not be durable if economic performance deteriorates too much. Both sides are negotiating in good faith. Both have long records of honoring their commitments. But no guarantee of the status quo until 1997 and of the socioeconomic status quo for 50 years thereafter will be sustainable if uncertainties or misjudgments create a hemorrhage of professionals and entrepreneurs. Expectations of declining growth could trigger a sudden, early crisis of confidence that would force Beijing's intervention, or longer-term declines could force Beijing to exercise more supervision. Or, realization of such difficulties could lead to favorable course corrections. The end of the negotiations may well prove to be just the beginning of the shaping of Hong Kong's future.



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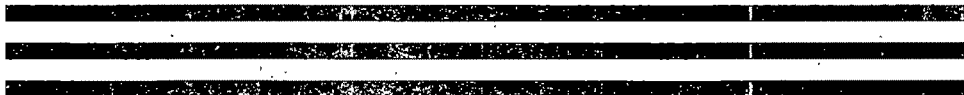
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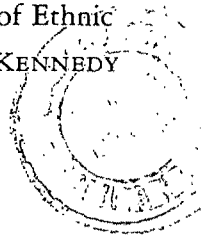
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*DENOTES RESIDENT MEMBER

THE ROLE OF THE CONTROL ORGANS IN THE CHINESE COMMUNIST PARTY, 1977-83

Lawrence R. Sullivan

Fearing the return of tyrants, they too became tyrannical.—
Danton

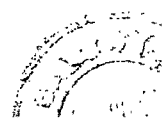
Control organs are often used in communist systems to check bureaucratic abuses in the party and, more importantly, to maintain the leadership's political hold on the apparatus. In the Soviet Union, the Party Control Commission (PCC) parallels the regular party structure where it enforces party norms, reviews decisions by lower party organs, and investigates appeals of party members expelled from the CPSU.¹ The PCC is an "organizational weapon" of the central authorities, and its goal is to achieve the administrative "rationalization" of the party machinery pursued by the Soviet elite, especially Lenin and Brezhnev, since the revolution.² China's communist leaders, particularly Mao Zedong, have generally favored mass mobilization and ideological

Lawrence R. Sullivan is Associate Professor of Political Science at Adelphi University, New York, and Research Fellow, East Asian Institute, Columbia University, New York. The author would like to thank Thomas Bernstein (Columbia University), Paul Cohen (Wellesley College), and Andrew Walder (Columbia University) for their comments on various drafts of this article. Thanks also goes to David Bachman (Stanford University) and Avery Goldstein (University of California, Berkeley), to the John King Fairbank Center for East Asian Research, Harvard University, and to Jill Conway of the Japan Institute, Harvard University, and Eleanor Sanders, El Cerrito, California. An earlier version of this paper was presented to the 1983 Conference of the New York State Political Science Association, Hunter College, New York City, April 8-9, 1983.

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1. Jerry F. Hough and Merle Fainsod, *How the Soviet Union is Governed* (Cambridge, Mass.: Harvard University Press, 1979), pp. 249, 257, and 418. The PCC is not a formal part of the Central Committee, but does contain full-time party officials. Each Party Congress chooses a new PCC and its chairman.

2. Stalin and Khrushchev, on the other hand, stressed purges and mass mobilization in their approach to party discipline. Paul Cocks, "The Rationalization of Party Control," in Chalmers Johnson (ed.), *Change in Communist Systems* (Stanford: Stanford University Press, 1979), pp. 178-185.



transformation to discipline the party; indeed, even the most enthusiastic advocates of organizational methods, such as Liu Shaoqi and Dong Biwu, did not share the Soviets' fascination with "scientific" administration.³ But in the 1950s and early 1960s, and since the death of Mao in 1976, the Chinese relied on formal control structures to help cure the Party's bureaucratic ills and eliminate internal political opposition.

This study examines the role of the discipline inspection commissions (*jilu jiancha weiyuanhui*) in the Chinese Communist Party (CCP) from 1977 to early 1983. After the arrest of the "gang of four," the post-Mao leadership, led by Hua Guofeng, reestablished control organs (abolished since 1968) at the Eleventh Party Congress in August 1977. When Deng Xiaoping took control of the party at the Third Plenum in December 1978, a Central Discipline Inspection Commission (CDIC) was formally established and given authority over the CCP's disciplinary affairs. Headed by Chen Yun, the CDIC was to promote Deng's economic and political reform program and, more importantly, control the rampant corruption and factional conflict in the party. But the establishment of a control apparatus posed a fundamental dilemma for China's leaders. How could they insure, in Deng Xiaoping's words, "impartial and incorruptible investigation" without changing the basic institutional principles of a one-party system?⁴ Controllers operating without independence from the regular party structure would face constant retribution from the party's power-holders and easily become political tools in factional disputes. On the other hand, control committees granted broad investigatory powers would undoubtedly challenge entrenched interests in the CCP and raise the issue of who controls the controllers.

The Theory and Practice of Party Control in the USSR

The concept of party control has its roots in the administrative rationalism of the early Soviet regime. Reflecting Lenin's strong antibureaucratic line in *State and Revolution* (1917) and his attraction to Taylorism, a Central Control Commission (CCC) was established in 1921 to restrain the bureaucratic power of the new Soviet state, maintain the honesty and efficiency of the rapidly expanding party organization,

3. Paul Cocks, "The Role of the Party Control Committee in Communist China," *Papers on China* (Vol. 22B), East Asian Research Center, Harvard University, December 1969, pp. 49-53.

4. Deng Xiaoping's reform proposals, which aimed at reducing the overconcentration of power in the party, enhancing the political role of the government, and establishing a legal structure, were outlined in his August 1980 speech to the politburo. *Chan Wang* (Outlook), (Hong Kong), April 16, 1981.

and "assist the party and state in selecting leading cadres."⁵ In theory, Lenin perceived bureaucratism as a technical rather than political problem that could be solved by teachers of organization theory and administrative specialists.⁶ For a regime obsessed with the social and political possibilities of "enlightenment" and "rationalization," the control commissions were an organizational mechanism for creating a new state with the precision of a well-run orchestra. In practice, however, party (and state) control did little to fundamentally change the existing machinery. Operating under the authority of the Central Committee, controllers sent to the provinces often joined in local power struggles, aligning themselves with the very party officials they were supposed to control. By the late 1920s and 1930s, the utopian goals of the control commissions were gradually eroded as a general reaction set in against the "foreign" character of administrative rationalization. Under Kuibyshev (1923-26), Ordzhonikidze (1926-30), and Kaganovich (1934)—all staunch Stalinists with little enthusiasm for scientific-technical expertise in the formation of Soviet power—the control commissions became a purely partisan device in Stalin's pursuit of personal dictatorship. As part of his plan to introduce terrorism into the system, Stalin abolished the elective, nonbureaucratic Central Control Commission in 1934 and turned disciplinary matters over to powerful party secretaries—the "little Stalins"—and to the newly-created Party Control Commission headed by Yezhov, which readily served the dictator's purposes.

Under Nikita Khrushchev many of the original goals of party control were restored in his campaign to take the CPSU "back to Leninism." The Party-State Control Committee (PSCC), established in 1962, was to revitalize the party ideologically through an organizational structure that penetrated directly into the primary party organizations and public institutions.⁷ Yet unlike the administrative rationalists of the early 1920s, Khrushchev believed that greater internal participation, not administrative technique, would create a more well-disciplined and responsible party. To prevent party secretaries running their territorial bailiwicks with an iron hand and disobeying central authority, Khrushchev supported greater nonstaff (*aktiv*) involvement in party disciplinary affairs,

5. T. H. Rigby, "Early Provincial Cliques and the Rise of Stalin," *Soviet Studies*, 33:1 (January 1981), p. 13.

6. Cocks, "The Role of the Party Control Committee," p. 81.

7. The Party Control Commission was retained, however, indicating Khrushchev's limited authority to institute major structural changes in the CPSU. Also, party controllers were kept subordinate to party committees at the *oblast* level and above. Grey Hodnett, "Khrushchev and Party-State Control," in Alexander Dallin and Alan F. Weslin (eds.), *Politics in the Soviet Union* (New York: Harcourt, Brace & World, 1966), p. 149.

with the PSCC protecting those "who spoke critically of party leaders."⁸ But as with most of his reforms, the stress on participation, plus the emergence of the PSCC as an independent authority intruding into sensitive party matters, engendered enough resistance that, after Khrushchev's fall in 1964, the new leadership trimmed its functions. Although Brezhnev and Kosygin showed renewed interest in the administrative rationalism of the 1920s, they placed considerable constraints on the reorganized Party Control Commission. Real authority over disciplinary matters was returned to party secretaries as the role of part-time volunteers in the control committees was severely curtailed.

Control Organs in the CCP, 1949-68

China's experience with internal bureaucratic control dates back to the imperial censorate, which maintained surveillance over government functions, punished and impeached state officials, and provided recommendations and remonstrances to the emperor. The Chinese Republic theoretically perpetuated this tradition by granting powers of inspection, investigation, and impeachment to a Control Yuan, one of the five branches in its administrative structure.⁹ In the Chinese Communist Party, the 1945 party statutes mention a "control commission," but it was not until November 1949 that the leadership authorized the formation of the first Central Discipline Inspection Commission.¹⁰ At the March 1951 National Conference on Organizational Work, and in major *People's Daily* editorials, party leaders focused on the "abuse of power," complacency, and petty corruption of party officials.¹¹ Like the early Bolsheviks, they were concerned that "party veterans" on assuming political authority had rapidly become "new despots," especially at the provincial level and below, where they suppressed criticism, retaliated against defenseless citizens, and wantonly violated party discipline and state law.¹² But the

8. Paul Cocks, "Controlling Communist Bureaucracy" (Unpublished paper, 1975), p. 41, quoted in George Breslauer, *Khrushchev and Brezhnev as Leaders: Building Authority in Soviet Politics* (London: George Allen & Unwin, 1982), p. 132. The PSCC's main target was, however, state personnel; since it did not have the power to recommend expulsion from the CPSU, party members were relatively immune from its authority. Hodnett, "Khrushchev and Party-State Control," p. 152.

9. Tuan-sheng Chien, *The Government and Politics of China* (Cambridge, Mass.: Harvard University Press, 1950), pp. 262-277.

10. *Xinhua*, November 25, 1979, and Cocks, "The Role of the Party Control Committee," p. 9. A state control organ, the Committee of People's Supervision, was also established at this time. Charles O. Hucker, "The Traditional Chinese Censorate and the New Peking Regime," *The American Political Science Review*, 45:4 (December 1951), p. 1054.

11. *Jiefang Ribao* (Liberation Daily), March 2, 1952; *Renmin Ribao* (People's Daily), December 20, 1951; and *Tianjin Jinbu Ribao* (Tianjin Progressive Daily), June 20, 1952.

12. *People's Daily*, September 11, 1951. Also see the speech by An Ziwen (Deputy

role of inspection commissions in combating these problems was apparently very limited since they were rarely mentioned in press reports before 1955.¹³ When control organs did become involved in investigations of cadre abuse and corruption, they were frequently incapable of dealing with leading cadres who, with near absolute authority, resisted external restraints.¹⁴ On some occasions, the Central Committee and even Chairman Mao backed inspection personnel against particularly abusive party officials, but since such support was spotty at best, party controllers frequently "gave up the struggle and proved themselves unable to persist in . . . upholding the dignity of Party discipline when they encountered great obstacles."¹⁵

This ineffectiveness of the early inspection apparatus stemmed from several organizational and functional deficiencies. Lacking an administrative structure below the province, the commissions were completely subordinate to the party committees at the provincial level and had limited power to investigate disciplinary cases. With the memory of the 1942-44 Rectification still fresh, the Chinese leadership was generally unwilling to rely exclusively on a bureaucratic device to control bureaucratic problems. Discipline commissions were too formal and cumbersome to replace party rectification, a fact clearly demonstrated when, in one case, 27 steps were necessary for a citizen to bring a complaint against a veteran "revolutionary."¹⁶ Convinced that cadre corruption was creating "class" distinctions in China, the leadership resorted to the familiar method of mass campaigns and criticism, such as the 1952 Three-Antis, to expose CCP members, especially party veterans, who were "pursuing the corrupt life of the bourgeoisie."¹⁷

By 1955, however, China's leaders decided to set up a more powerful Central Control Commission (*zhongyang jiancha weiyuanhui*) with an organizational structure penetrating to the CCP's lower levels.¹⁸ The major

Director Organization Department), *People's Daily*, February 12, 1953; and *People's Daily*, April 9, 1953.

13. *People's Daily*, December 30, 1951, *NCNA*, February 21, 1952, *Liberation Daily*, March 2, 1952, and *People's Daily*, February 27, 1953, all reported corruption and disciplinary cases without mentioning inspection commissions.

14. *Liberation Daily*, February 19, 1953, and *People's Daily*, January 23, 1953, and July 1, 1954.

15. *People's Daily*, July 1, 1954, and September 11, 1954, described a Wuhan corruption case in which, even after Central Committee and Mao's personal intervention, the Municipal Party Committee attempted to retaliate against the anonymous letter-writer who sparked the investigation.

16. *Tianjin Progressive Daily*, June 20, 1952.

17. *Xuexi* (Study), March 16, 1952.

18. The establishment of control commissions "at all levels of the Party . . . so as to fight . . . against acts by Party members violate the Party Constitution, Party discipline or the laws

reason for this change was the Gao Gang-Rao Shushi Affair, which demonstrated the inherent defects of a control structure operating outside tight central authority.¹⁹ Completely subordinate to Gao's regional and provincial committees, party controllers in Manchuria had become an integral part of his "independent kingdom."²⁰ Under the new system, however, control organs would operate with greater independence from the regular party structure as the Central Control Commission was authorized to "examine, approve, and change decisions by lower control committees."²¹ Appointments to control committees at the provincial level and below were subject to higher-level verification up to the central control organ, which could also order subordinate personnel to initiate investigations of "unreliable" (i.e., pro-Gao) party members.²² In addition, party controllers were to cooperate with the powerful Ministry of State Control (established in 1954) and the newly reinforced Procuracy to insure execution of the leadership's policy line by the rapidly expanding party organization and an increasingly elaborate state bureaucracy. Gradually, the party developed a control apparatus strong enough to counter the fragmentation of centralized party authority witnessed in the Gao-Rao affair.

Over the next few years, the influence of the control apparatus waxed and waned in conjunction with radical turns in party policies. At the Eighth Party Congress (1956), CCP leaders warned control organs against operating outside the authority of party committees and abusing their "organizational powers" by taking "inappropriate disciplinary mea-

and ordinances of the State" was included in the March 31, 1955, "Resolution on the Kao Kang-Jao Shu-Shih Anti-Party Alliance," and then formalized by the April 1955 Fifth Plenum. See Cocks, "The Role of the Party Control Committee," pp. 53-54, and "Resolution on Establishment of Party Central and Local Control Committees" (hereafter "Resolution"), NCNA, April 4, 1955. At the same time, however, constraints were placed on the state control apparatus. Franz Schurmann, *Ideology and Organization in Communist China* (Berkeley: University of California Press, 1966), pp. 342-347.

19. Stronger control committees were also part of the CCP's organizational rationalization, as documented in Harry Harding, *Organizing China: The Problem of Bureaucracy* (Stanford: Stanford University Press, 1981), pp. 49-76.

20. *Documents of the National Conference of the Communist Party of China, March 1955* (Peking, 1955).

21. "Violations of the Party Constitution and discipline and state laws and decrees committed by members of Party committees of various levels shall be dealt with by the Party committees of the same level; but a Party control committee of a higher level shall have the right to deal with them directly where it considers this necessary." See "Resolution" (emphasis added).

22. Also: "If a local control committee considers a decision of a Party committee of the same level inappropriate, it shall have the right to appeal to a Party committee of a higher level." See "Resolution."

asures against [party members]."²³ But in the aftermath of the Great Leap Forward, the leadership relied on the control apparatus to help restore a centralized decision-making structure badly damaged by Mao's policy initiatives, and to root out cadre corruption exacerbated by the Leap. Along with the Secretariat and the Organization Department, control committees "reversed verdicts" on party "rightists," while at the Tenth Plenum (1962) the leadership decided to "strengthen the work of the party commissions at all levels."²⁴ Party controllers could now report directly through their own bureaucratic channels, which included new regional bureaus, rather than relying on the regular party structure. For Mao Zedong, a separate control organization provided leverage to energize the Four Cleans Campaign against cadre corruption and to check new "independent kingdoms."²⁵ However, once Mao became convinced that revisionism was a more serious problem in the party than corruption, he focused on purging the CCP's top leadership, including its control personnel. With its close ties to Peng Zhen, the Central Control Commission suffered major purges during the Cultural Revolution, while at the Ninth Party Congress (1969) control committees were deleted from the new party statutes in favor of "special case organs," evidently under Mao and Kang Sheng's direct authority. In the early 1970s, the "party building" campaign gradually replaced the revolutionary committees with a conventional Leninist structure, but there was no mention of a control apparatus. Not until Mao Zedong's death in 1976 and the subsequent arrest of the "gang of four" would party leaders once again rely on formal party controls.

The Restoration of Party Control, 1977-78

According to the party constitution approved at the Eleventh Congress (August 1977), the "Central Committee of the Party, local Party committees at the county level and upwards and Party committees in the army

23. *People's Daily*, September 29, 1956, and Liu Shaoqi, "Report on the Work of the Central Committee." *NCNA*, September 16, 1956. Also see Liu Lantao's report on party disciplinary work in which he warned controllers to "operate under the leadership of the party central committee and the party's various hierarchical committees." *Xinhua Banyuekan*, No. 21, 1956, pp. 171-174. Deng Xiaoping, however, voiced strong support for the control organs. "Report on the Party Constitution," September 16, 1956.

24. *Communique of the 10th Plenary Session of the CCP 8th Central Committee*, September 24-27, 1962; membership on the Central Control Committee was also increased from 18 to 60. Cocks, "The Role of the Party Control Committee," pp. 63-65.

25. The "23 Articles" (January 1965), reputedly authored by Mao, stated: "The authority of supervisory organs must be greater than that of the administrative organs of the same level." However, it also noted: "The most important supervision is that which comes from the masses." Reprinted in Richard Baum and Frederick C. Teiwes, *Ssu-ch'ing: The Socialist Education Movement of 1962-1966* (Berkeley: University of California Press, 1968), p. 125.

units at the regimental level and upwards should set up commissions for inspecting discipline."²⁶ Along with party schools reconstituted in October 1977, the control commissions were to help rebuild the party and resolve political and ideological problems left over from the Cultural Revolution.

Following the Eleventh Congress, two themes dominated press reports on party control. One linked the restoration of party discipline to "removing the social basis of Lin Biao and the gang of four," and to implementing the new leadership's "cadre policy."²⁷ Beyond the purely partisan goal of this struggle, discipline work was to help restore the party committee system by restraining "despotic" party secretaries—the "little Maos"—who claimed the "final say on any question" and thought nothing of torturing and "beating up people."²⁸ Second, tighter party discipline would demonstrate the new leadership's commitment to the rule of law in Chinese society, a goal also advanced by the newly renovated judiciary and procuratorial organs. To this end, the press criticized party cadres for various legal transgressions, such as their use of public funds to build private houses and to pay for "lavish eating and drinking."²⁹ Cadres were also attacked for favoring relatives in the allocation of housing and jobs, "illegally seizing arable land," and overstepping their "legal" jurisdiction by interfering in university admission decisions.³⁰ In the most celebrated case, city officials in Luda, Liaoning, were prosecuted after an investigation by party authorities revealed serious breaches of economic and financial discipline.³¹ Prefectural and county officials in Henan were also reportedly nabbed for stealing state relief funds and embezzling state revenues and profits.³²

In retrospect, however, restoration of discipline in 1977 and most of 1978 was hampered by the leadership struggle involving Deng Xiaoping

26. *Eleventh National Congress of the Communist Party of China (Documents)*, (Peking: Foreign Languages Press, 1977), p. 137.

27. *People's Daily*, November 13, 1978.

28. *Radio Zhejiang*, July 29, 1978; *Hongqi* (Red Flag), No. 7, July 1, 1978; and NCNA, November 13, 1978. *People's Daily*, March 24, 1978, noted that many party secretaries arrogantly reacted to criticisms of their behavior by declaring "What can you do about it?"

29. *People's Daily*, December 11, 1977. Similar criticisms were voiced in the "Four Cleans." Baum and Teiwes, *Ssu-ch'ing*, p. 85.

30. *People's Daily*, March 24, 1978; NCNA, September 10, 1978; and *Guangming Daily*, February 19, 1978.

31. *People's Daily*, April 5 and 6, 1978, noted that corruption like that uncovered in Luda was widespread throughout the country. This seemed especially true in provincial Supply and Marketing cooperatives. *Radio Jilin*, July 14, 1978.

32. NCNA, September 7, 1978. State funds also went to gift-giving during the Spring Festival and payment for the funeral of a cadre's mother. *Radio Anhui*, February 2, 1978, and *Radio Jiangsu*, April 2, 1978.

and Hua Guofeng, which evidently prevented the formation of a central disciplinary organ. Below the central level, a few control committees were established before the Third Plenum, but mostly in provinces loyal to Deng (e.g., Guangdong) and in the army, which had reportedly shielded its ranks from the "gang" by enforcing strict discipline since 1975.³³ Otherwise, there were only infrequent references in 1977-78 to functioning discipline inspection commissions. In the Luda case (noted above), the investigation was carried out by an ad hoc committee and by inspection teams from the Liaoning provincial committee. And in the major *People's Daily* editorial on discipline, published just prior to the Third Plenum, inspection commissions were not even mentioned.³⁴

Political Reform and Party Control After the Third Plenum

The Third Plenary session announced major economic and political reforms to deal with what the leadership believed was a substantial loss of legitimacy by the CCP. Besides the disastrous effects of the Cultural Revolution and Maoist policies, serious bureaucratic abuses and cadre corruption seemed to intensify after the great leader's death, creating what Chen Yun described as a "life or death" situation for the party.³⁵ With party members constantly "seeking favors," freely disobeying the law, and making "arbitrary and authoritarian decisions," the Chinese people became less inclined to accept their "guidance and education."³⁶ Just how severe a legitimacy crisis confronted the Chinese leadership is difficult to determine, but one thing is clear: In Deng Xiaoping's judgment, the party could no longer count on the popular compliance required by the Four Modernizations.

In the past, to overcome difficulties, the party just issued one call and the

33. Guangdong and Jilin were the first provinces to indicate functioning discipline inspection commissions. *Radio Guangdong*, July 29, 1978, and *Radio Jilin*, June 13, 1978. Sichuan, Anhui, and Liaoning came out with strong statements in early 1978 on discipline, probably as an indication of support for Deng. *Radio Sichuan*, January 26, 1978, and *Radio Anhui*, February 2, 1978. The first major statement of party discipline after the 11th Congress came in the pro-Deng *Guangming Daily*, November 29, 1977. For the Military Affairs Commission's decision on "establishing and perfecting discipline inspection commissions at or above the regimental level," see *Radio Beijing*, April 8, 1978, and *Liberation Army Daily*, April 10, 1978.

34. *People's Daily*, November 13, 1978.

35. *Xinhua Ribao*, May 3, 1981, notes Chen's quote as taken from a pre-Cultural Revolution speech. Historical analogy was also used to make similar warnings. For instance, during the Yuan Dynasty it was noted "corruption and ruthlessness of . . . officials were the main cause of uprisings."

36. *People's Daily*, May 15, 1978, and June 22, 1979.

Central Committee uttered one sentence, and the whole country acted accordingly When over 20 million workers were sent down to the rural areas [1959 to 1961-62] we followed the mass line and explained things clearly and nobody complained. *Things are not so easy today.*³⁷

Equally serious was the fragmentation of authority and the leadership's loss of central control over a party organization whose membership continued to expand (between 1978 and 1982 it increased 4.6 million, or 12%). In part, this problem stemmed from deep factional divisions between party members recruited during the Cultural Revolution (approximately one-third of the membership) and the 2.9 million cadres rehabilitated since Mao's death.³⁸ But it also reflected the disintegration of the party into a "shapeless and diffused" structure of regional and local subsystems.³⁹

In response, Deng's coalition supported a full restoration of centralized control organs based on the 1955-68 model. After its appointment by the Third Plenum, the CDIC held its First Plenary session in Beijing where it formulated "Some Rules Governing Political Life in the Party" and outlined a political agenda consistent with Deng's reform policies and partisan interests.⁴⁰ First, the CDIC was to "protect party members' rights" and help "enforce the system of combining collective leadership with the division of labor by the individual." Reflecting the Third Plenum's concern with the "overconcentration of authority" in the party, the commissions were to "forbid arbitrary decision-making by any individual."⁴¹ Second, the CDIC was to "struggle against unhealthy tendencies that violate party discipline" (i.e., corruption) and help make the party more responsive to the population by handling "the masses' exposures, reports and accusations" against party cadres. Control organs would function as the party's formal complaint machinery by providing, along with the press, a more structured outlet for popular protest of

37. "Report on the Current Situation and Tasks," March 1979, quoted in *Zheng Ming* (Hong Kong), January 1, 1980 (emphasis added). Also see discussion of the "confidence crisis" over Marxism in *Wen Hui Bao*, January 13, 1980. Party leaders also noted that the masses had become less tolerant in recent years of the "perks" provided to CCP personnel, such as banquets and private cars. *Xinhua*, April 26, 1980.

38. Hong Yung Lee, "China's 12th Central Committee: Rehabilitated Cadres and Technocrats," *Asian Survey*, 23:6 (June 1983), and *Liberation Daily*, June 11, 1979.

39. *Nanfang Ribao* (Southern Daily), May 26, 1980, and *People's Daily*, April 6, 1978.

40. The communique was not publicized until March 1979. *Xinhua*, March 24, 1979. Chen Yun was elected First Secretary, Deng Yingchao (Zhou Enlai's widow) Second Secretary, Hu Yaobang (later to become party chairman and then general secretary) Third Secretary, and Huang Kecheng (an important figure in the drafting of the party's June 1981 official "resolution" on Mao) assumed the post of Permanent Secretary. Total CDIC membership was 100.

41. *Xinhua*, July 30, 1979.

unfair and insensitive bureaucratic decisions than the demonstrations and civil disobedience that had occurred in the spring of 1979.⁴² Finally, in a more partisan vein, the CDIC was to assist the Procuracy and the Public Security Bureau in "redressing cases [from the 1960s and 1970s] in which people were framed, wrongly judged, or falsely accused."⁴³ Through its control organs, the party would regain authority over the purge apparatus by rehabilitating victims of the Cultural Revolution, especially veteran cadres who would return to provide crucial political support for Deng Xiaoping.⁴⁴

These tasks were quite extensive and could not be undertaken simultaneously. The majority of press coverage of the inspection commissions from 1979 through early 1983 dealt with the struggle against cadre corruption, especially in 1982. CDIC circulars banning waste and "special privileges" (*tequan*) were heavily publicized, while press reports exposed all sorts of cadre malfeasance and extravagance, including "drinking sprees," "smuggling" (*zousi*), "looting state property," "placing relatives in jobs" (*ancha*), "building 'cozy nests,'" and even "extortion" and "blackmail."⁴⁵ Joined by state finance supervisory departments, the CDIC also reportedly attacked corruption in the economic planning system, such as illegal pricing by state production organs, "under the table deals" (*guanxihu*) between industrial managers, "tax evasion," and indiscriminate payment of year-end bonuses.⁴⁶ Perhaps the most challenging task was to control the unwanted consequences of the new economic "responsibility system." With state controls reduced in agricul-

42. The appointment of Wang Ruoshi, Deputy Editor-in-Chief of *People's Daily*, established the CDIC's link to the press. Reports also mentioned "mass supervision" of cadres, but this theme was apparently downplayed because it evoked the Cultural Revolution. *Radio Shandong*, September 11, 1979, and *China Daily*, August 23, 1981. Initial reports indicated "sent up petitions" overwhelmed the CDIC. *Beijing Daily*, August 23, 1979.

43. Note the absence in the above list of any functions similar to the imperial censorate's power to criticize the policies and personal actions of China's rulers. Hucker, "The Traditional Chinese Censorate," p. 1057.

44. The CDIC was reportedly involved in the rehabilitation of Liu Shaoqi, Qu Qiubai, and Pan Hannian (former Deputy Mayor of Shanghai). *People's Daily*, May 16, 1980, and *DaGong Bao* (Hong Kong), January 29, 1980. New Regulations on Arrest and Detention limited these powers to the police and people's procuratorate.

45. *People's Daily*, January 25, 1983; *Radio Guangdong*, April 17, 1981; *Xinhua*, December 1, 1981; *Southern Daily*, February 11, 1980; and *People's Daily*, July 30, 1981. Corruption in allocation of housing was still the most tenacious problem (*Xinhua*, March 18, 1983) while blackmail was most serious in the countryside. *Xinhua*, February 19, 1983.

46. *Radio Hubei*, May 7, 1980; *People's Daily*, August 15, 1980, and August 6, 1981; and *Radio Beijing*, September 5, 1981. State inspectors operated under the authority of the Ministry of Finance, but, like the post-Leap period, party controllers evidently dominated inspection of state economic and financial work ordered by the State Council in spring 1979. *Radio Beijing*, January 24, 1980.

ture and industry, cadres had reportedly become "obsessed with making money," especially in the countryside where the new policies had sharply curtailed their administrative functions.⁴⁷ "Corroded by capitalist ideology," many cadres used their considerable organizational skills to "take advantage of the administrative reforms to enrich themselves" by engaging in sideline production and illegally merging and transferring enterprises.⁴⁸ Party members seemed eager to "parade their wealth" (*baikuo*), "spend freely" (*huiho*), "take bribes" (*tanzang*), and "go in for extravagance" (*jiangpaichang*). In highlighting the tough response to such behavior, the press (and the CDIC's own journals)⁴⁹ emphasized that the control organs' investigative arm penetrated to the highest levels of the party and state.⁵⁰ Still, by early 1982, the Central Committee and the State Council, noting that cadre corruption was now worse than during the Three-Antis (1952), issued "emergency regulations" against "serious criminal activities."⁵¹

Besides attacking corruption, the inspection commissions reportedly supported Deng's effort to reduce the authority of party "tyrants" and "patriarchs" (*jiazhang*) who blocked many of his reform proposals.⁵² A CDIC Plenary session in February 1983 emphasized that control organs had opposed party secretaries who "regard the units they head as their own territories that they can control as they please," while *People's Daily* noted CDIC action against high-level cadre interference in party elections.⁵³ But, overall, control organs were helpless against powerful party secretaries and "local despots who cannot be touched," and thus did little to protect party members' "rights." More often the commissions were used to tighten control over rank-and-file cadres who resisted organiza-

47. *Radio Heilongjiang*, July 14, 1982.

48. *Xinhua*, April 26, 1980; *Hebei Daily*, November 30, 1982; and *People's Daily*, December 11, 1982. See also Deng Yingchao's speech at the CDIC's Third Plenum in February 1981. *People's Daily*, March 28, 1981.

49. *Dangfeng yu Dangji* (Party Life and Discipline) is the CDIC's major publication. *Party Member's Life Monthly* is also jointly published with the Organization and Propaganda departments.

50. Most notable were Wang Lei, Minister of Commerce, whose "feasting" at restaurants without paying was exposed in a letter to the CDIC by Chen Aiwu, a young cook (*Xinhua*, October 1, 1980), and Wang Zhong, Haifeng County (Guangdong) party secretary, who was executed for defrauding the state.

51. *Xinhua*, April 13, 1982. In 1981, corruption was so widespread that "many comrades believed they will not be touched since law does not condemn the majority." *Xinhua*, February 9, 1981. But *People's Daily* (November 10, 1982) claimed that only 1.2% of cadres were involved in corruption, while in 1982 only 5,500 party members were expelled on corruption charges. *Xinhua*, February 4, 1983. By April 1983, 8,500 party members had been expelled and 380,500 punished. *Xinhua*, July 25, 1983, and August 11, 1983.

52. According to Huang Kecheng, the reforms "cannot be approved [in some party committees] because of the objection of a single person." *People's Daily*, February 28, 1981.

53. *Xinhua*, February 4, 1983, and *People's Daily*, June 13, 1983.

tional transfers, failed to attend party meetings, or simply "didn't show up for work."⁵⁴ Rather than promoting a fundamental restructuring of authority relationships in the CCP, control organs strengthened the hand of party secretaries to prevent the party's organizational structure from "rotting away" at the lower echelons.⁵⁵

The most important change in the CDIC's function was the decision to use control personnel to support Deng's policy line and partisan struggles. Although Chen Yun had limited control functions in January 1979 to "supporting party regulations and laws, and rectifying party style," by July of that year Hu Yaobang (then CDIC Third Secretary) argued that control work "must be closely integrated with the party's ideological and organization building. . . ." More specifically, the CDIC's Second Plenary session (January 1980) formally decided to "*further shift the emphasis of discipline inspection work toward . . . insuring the implementation of the line, principles, and policies of the Third Plenum.*"⁵⁶ Some party leaders and control personnel evidently supported the institutional independence and professional integrity of control work by advocating, perhaps naively, that the commissions avoid internecine factional struggles by restricting their investigations to individual cases of discipline violation. But for Huang Kecheng (CDIC Permanent Secretary), insuring "political loyalty" to the Central Committee's leadership and "line" was "*more important*" than paying attention to violations of the law and . . . inspecting bureaucracy, special privileges, and violations of financial and economic discipline."⁵⁷ Thus, control organs were to carry out "strict inspections" of party committees resisting Deng's economic policies and launch "small-scale rectifications" against party members who refused to "correct factional errors."⁵⁸

54. *Radio Shanxi*, December 16, 1981; *Xinhua Ribao*, October 15, 1981; and *Dongxiang*, No. 18, March 16, 1980.

55. *Southern Daily*, January 18, 1983. According to *People's Daily* (August 3, 1981), "abuse of authority by punishing subordinates goes unpunished."

56. Chen Yun's speech is reprinted in *Sanzhong quanbui yilai zhongyao wenxian xuanbian* (Collection of Important Documents Since the Third Plenum), Taiwan, 1983. Also *Xinhua*, July 30, 1979, and January 27, 1980. *Red Flag* (April 1, 1980) advocated expanding the scope of CDIC work beyond "defiance of the law and discipline" to "political discipline and ideological education," while Wang Heshou called on inspection personnel to be the "most politically loyal group." *Xinhua*, February 19, 1983.

57. *Xinhua*, January 27, 1980 (emphasis added). However, support for this policy by provincial committees was limited since strong opposition to CC policies emerged at CDIC regional meetings in August 1981. In early 1983, Wang Heshou noted only "selective implementation of the policy of the Third Plenum," which led to a reaffirmation of the CDIC's partisan role as inscribed in the 12th Party Constitution. *Xinhua*, February 19, 1983.

58. CDIC Second Plenum, *Xinhua*, January 27, 1980, and *Beijing Xinhua*, April 26, 1980.

The primary target of the CDIC was the radical left. Their ideology of "dare to rebel" and "go against the tide" posed a major obstacle to the restoration of "normal" party discipline. More importantly, the left constituted a major threat to Deng's political power, even after his disposal of the "whatever faction" in February 1980 and the trial of the "gang of four" later that year. In 1980-81, the leadership warned of the "remnant" strength of the gang's "organizational systems" and, at the Twelfth Party Congress (1982), Chen Yun spoke of a possible comeback by the "three types of people" including those "who rose during the Cultural Revolution."⁵⁹ Initially, Deng tried to pin responsibility for the rampant corruption in the party on the radical left, but with their apparent puritanical reputation intact, Deng was forced to couch his attack in purely partisan terms.⁶⁰ Thus control personnel were ordered to investigate party committees who "took the wrong political line in redressing important cases in the Cultural Revolution" (i.e., they had reinstated leftists) and to help "in building leadership groups and selecting successors" (i.e., control organs were to take part in purges, such as occurred in Fujian in 1979 and Tibet in summer 1980).⁶¹

Deng also employed the control apparatus against the "party dissidents" who "expressed sympathy with certain people who used the Xidan [Democracy] Wall" and advocated political reforms in the direction of a two-party system.⁶² Although posing no significant challenge to Deng's political position, party members' encouraging bourgeois ideas, such as freedom of speech, publication, and assembly, undoubtedly eroded the CCP's iron discipline. Ironically, the party leadership's own liberal statements in 1979 and early 1980 attacking "slavish" obedience to the "patriarchal" leader (i.e., Mao Zedong) may have unwittingly strengthened such opinion. Deng's group, particularly Hu Yaobang, not only called on cadres to "exchange opinions" and "propose different

59. *People's Daily*, April 29, 1980; *Chan Wang*, April 16, 1981; *Xinhua*, September 6, 1982; and *People's Daily*, August 28, 1982. *Hebei Daily* (March 3, 1983) noted that "some people believe that the 'three types of people' are 'capable' and 'know how to operate.'"

60. Deng also tied the "abuse of power" to the radical left by declaring that "cadres who took over [during the Cultural Revolution believe] that 'with power they will have everything.'" *Qishiniandai* (The Seventies), No. 1, January 1980.

61. *Xinhua*, August 20, 1980. Also, see speech by Yang Shangkun, a Deng supporter and member of Peng Zhen's old faction. *Radio Guangdong*, April 27, 1980. 1,560 party members were reportedly purged in Fujian for disciplinary violations (*Beijing Daily*, August 23, 1979) with similar purges occurring in Tangshan (*People's Daily*, March 16, 1981). For Tibet, see *Radio Xizang*, June 10, 1980, and *Red Flag*, August 1, 1980, which stated that "the central task of discipline work . . . is to insure the implementation of the party CC's instructions . . . on Xizang."

62. *Red Flag*, No. 4, April 1, 1980, and June 1, 1981; and *Liberation Daily*, April 16, 1980. Many party "liberals" may be disillusioned veterans of the Cultural Revolution. Lee, "China's 12th Central Committee," p. 675.

points of view," but also to "disobey blind commands" and "reject arbitrary orders" to avoid becoming yes-men.⁶³ By mid-1980, the leadership reverted to conventional "democratic-centralism" and curtailed independent opinion, yet "some comrades," *Heilongjiang Daily* complained, still "counterpose obedience [and] political discipline to promotion of democracy . . . and implementation of the double hundred principle."⁶⁴ Expectations among rank-and-file cadres for a general liberalization and an elimination of "ideological crimes," fostered by Deng's own attacks on the left's "leader principle," were proving difficult to reverse. Thus, party controllers, in addition to their many other functions, were to check on the "ideological state" of party members by struggling against "words and deeds that violate the Four Basic Principles."⁶⁵

Problems of Command and Control

Numerous difficulties afflicted the new control apparatus primarily because it lacked sufficient operational autonomy from the regular party organization. Although Deng's group seemed acutely aware of the structural and political deficiencies of party control before the Cultural Revolution—indeed, they blamed China's political degeneration after 1962 on, in part, ineffectual control organs—they did not grant the CDIC sufficient power to challenge entrenched political interests in the CCP. Like control committees in the 1955-68 period, the discipline inspection commissions are subject to the dual authority of both the party committee at the corresponding hierarchical level, and higher-level control organs up to the CDIC and, ultimately, the Central Committee.⁶⁶ In theory, this direct link with the party center is supposed to insure that party committees at the provincial level and below do not completely "capture" their respective inspection commissions in a "web of mutual involvement." But since party committees control the election of their inspection commissions, the duration of the commissions' elected term corresponds with the party committee's, and, in most cases, the final

63. *Xinhua*, January 11, 1979, and *Workers' Daily*, February 24, 1979.

64. *Heilongjiang Daily*, April 24, 1980. Another interpretation suggests that press attacks on "liberalism" and "anarchism" were directed at Hu Yaobang who strongly supported party "liberalization" in 1979. See his July 1979 speech, reprinted in *Chung Pao* (Hong Kong), March 5, 1980.

65. *Xinhua*, September 19, 1981.

66. According to Wan Li, "The discipline inspection organs at all levels must constantly ask the party committees for instructions . . ." *Radio Anhui*, August 29, 1979. Control committees were also to avoid impinging on the powers of the party Secretariat while appointments to county level discipline commissions were controlled by the county party committee. *People's Daily*, January 20, 1982.

decision on prosecuting a disciplinary case lies with the party committee, it is difficult for control organs to "maintain supervision over party committees at the corresponding level."⁶⁷

This is particularly troublesome since the leadership emphasized that discipline must begin with leading cadres, especially those above the fifth rank, whose transgressions of party rules and state laws are a major cause of the CCP's loss of legitimacy. According to *People's Daily*, "[L]eading comrades, consider themselves to be 'special party members,' and 'exclude' themselves from among those who have to observe party discipline."⁶⁸ Yet it is these top party officials, especially first Party Secretaries, who, by tyrannical control of the party committee, can dominate its inspection commission, and prevent "objective" investigations. Without the support of higher-level party authorities, controllers confront an almost impenetrable power structure. Thus, despite the claims in 1979 that the inspection commissions were "earnestly deciding cases where party members, especially leading cadres, disregarded party rules," reports also surfaced that party controllers refused "to 'touch the tail of the tiger' and dare to deal with those important figures who openly defy party discipline and state law."⁶⁹ "[A]fraid of offending people" and "lacking courage," control personnel either "gave up," or, in some cases, shielded influential party members from prosecution by state authorities. In a society where traditionally "superiors go unpunished," this caused widespread belief that discipline is "strict toward lower levels and lenient toward higher levels" and that the inspection commissions "do not count for much."⁷⁰ Yet, when party controllers did carry their investigations to high levels, they often faced retaliation and revenge from senior cadres who assumed the CCP's rules and regulations applied solely to ordinary party members.⁷¹ Threatened with disciplinary action, these party elite used their enormous personal authority to create what

67. Based on the "recommendation" of a discipline commission, removal or probation of a party member requires a two-thirds majority vote at a plenary meeting of a party committee. But important cases are to be reported to higher-level inspection commissions "at or above the county level for examination and approval." 12th Party Constitution.

68. *People's Daily*, March 16, 1981, and October 6, 1982.

69. *Radio Beijing*, August 23, 1979, and *Radio Henan*, February 21, 1982.

70. *People's Daily*, November 1, 1982; *Red Flag*, April 1, 1980; and *Hebei Daily*, November 30, 1982. Party members were warned not to use "party discipline . . . as a substitute for the legal code." *Guangming Daily*, December 8, 1981.

71. *Guangming Daily*, April 7, 1980. Also, *Radio Jiangxi*, October 12, 1979, *Radio Anhui*, October 7, 1981, *Radio Shanxi*, March 27, 1983, and *Shanxi Daily*, June 3, 1983, all cited the personal dangers of discipline work, which created low morale and led to demands for protection of "discipline inspection cadres and ordinary people who dare to expose violations." *Radio Beijing*, February 15, 1981. For a case in which the party moved against such retaliation, see *Xinhua*, December 9, 1980.

Hu Yaobang described in 1982 as "considerable and, in some cases, shocking obstructions in the [CDIC's] work."⁷²

A second set of problems has been the poor training, age, and general lack of political influence of inspection commission personnel. Of the CDIC's eight top-ranking officials, only two sit on the Twelfth Central Committee; moreover, Hu Yaobang's departure in 1982 left the CDIC in the hands of elderly party leaders, many of whom had no previous experience in control work.⁷³ Deng Yingchao and Chen Yun apparently played a purely symbolic role, and Huang Kecheng, the Permanent Secretary, was reported in 1981 to be infirm. In addition, the CDIC was evidently torn by political and factional strife as a substantial turnover of personnel occurred between the First Plenary Session (Eleventh CC) in January 1979 and the Twelfth Party Congress.⁷⁴ Below the central level, party controllers are often young, inexperienced, and lacking in political clout. In Jiangxi, the press noted in 1979 that the "discipline inspection ranks contain many new hands and quite a few cadres [who] are unfamiliar with discipline inspection work." To remedy the situation, "party schools at the provincial, prefectural and county level [were to] run study classes" so that party controllers could "be trained in rotation by the end of 1980."⁷⁵ But even with intensified training, the slow formation of an organizational structure and the lack of personnel hampered control work as many counties, prefectures, and even entire provinces failed to establish fully staffed commissions in 1982 and early 1983, which un-

72. *Xinhua*, September 7, 1982.

73. All members of the Military Affairs' Commission (5) and the Secretariat (11) sit on the CC; 3 of the 9 members of the General Political Department are also members of the CC. Several CDIC secretaries have some experience with the previous control committees (e.g., Yuan Renyuan and Guo Shushen) and/or a strong background in organization and legal work (e.g., Zhang Qilong, Wang Congwu, and Wei Wenbo). Many control committee members from the 1950s and 1960s disappeared in the Cultural Revolution (Qian Ying and Liu Geping), while some survivors have been assigned to posts outside the CDIC (Liu Lantao and Gao Kelin). In June 1981, the Party journal, *Ban Yue Tan*, noted that the average of CDIC secretaries was 76 years.

74. In December 1978, the CDIC had 100 members; in 1982 this was raised to 132. Only 17 of the latter were on the original 1978 committee, and only 4 of the 15 secretaries in 1982 were carried over from 1978. Difficulties were also apparent in drafting "Some Rules Governing Political Life in the Party." *Xinhua*, January 27, 1980. At the March 1981 CDIC 3rd Plenum, representatives of the MAC outnumbered party control personnel. *Xinhua*, March 5, 1981.

75. *Radio Jiangxi*, October 12, 1979. The CDIC's 2nd Plenum (12th CC) called for "absorbing outstanding middle-aged and young cadres," while the August 1983 "national meeting" of the CDIC stressed raising the "professional competence" of party controllers. *Xinhua*, January 27, 1983, and August 11, 1983. Insufficient personnel and lack of political experience also plagued the Republican Control Yuan and Khrushchev's Party-State Control Commission.

doubtedly reflected the difficulty of Deng's group in consolidating power at the provincial level. Discipline work in major cities, such as Shanghai, Canton, and Beijing, and in provinces, such as Henan, Qinghai, and Shaanxi, was reportedly handled by preparatory groups and provisional committees that often lacked a full-time secretary. Where fully-staffed commissions were established, however, they quickly fell into the trap of red tape with many reports of mass complaints simply shelved.

This bureaucratic footdragging may have reflected considerable disagreement among Deng's own political allies on the nature and importance of disciplinary work. Orthodox party leaders—which I label as neo-Stalinist—apparently opposed a heavily publicized disciplinary effort, arguing that by “laundering its dirty linen in public” the CCP would only contribute to popular political cynicism.⁷⁶ To rebuild its authority, they want the CCP to emphasize conventional Leninist themes on the party's vanguard role and its “heroic” leadership and to retain the less fanatical elements of a cult of personality. In the meantime, control work should be kept at a low key and as a purely internal matter, but with tough punishments meted out to political deviants and corrupt cadres. At the opposite end of the spectrum, party “moderates” want a more restrained discipline to avoid a reversion to “despotic” (*zhuanzhi*) authority in the CCP. In the view of many cadres who suffered during the Cultural Revolution, “stern discipline” and “rectification” (*zhengfeng*) evoke the extreme authoritarianism imposed on the party by the “gang.”⁷⁷ Although Deng Xiaoping and Chen Yun pledged “gentle” rectification—a promise also made in the early phases of the Socialist Education Movement—party “moderates” fear that tying harsh disciplinary measures to purely partisan interests will only create uncontrollable factional struggles and set the stage for a replay of the Cultural Revolution.⁷⁸ In addition, they fear that strong, independent control organs could become a vehicle for a new leader to promote a personal dictatorship along Stalinist lines.

Finally, the CDIC has been hindered by intractable problems of corruption and bureaucratism, which have plagued the CCP since 1949. Although the party leadership emphasized that “cadre privileges are

76. *Beijing Daily*, December 31, 1980, and *Red Flag*, No.3, February 1, 1981. I would include in this group Li Xiannian, Peng Zhen, Peng Chong, Yang Shangkun, and, perhaps, Deng Xiaoping.

77. “For fear of being accused of being ‘leftists’ some leading comrades have hesitated to place strict demands on their subordinates” *Fujian Daily*, August 31, 1981.

78. Baum, *Prelude to Revolution*, p.73. In July 1979, Chen Yun stated that seizing power from opponents is not a “line struggle” and that “we can indulge in a little high-handedness.” Reprinted in *Chan Wang*, No.430, January 1, 1980. Also, Yang Shangkun called for “mild” rectification in 1983. *Zhongguo Xinwen she*, June 28, 1983.

deeply hated by the people," such resentment has apparently been mitigated by adroit party members who run elaborate spoils systems. Where cadre housing creates local construction jobs, smuggling makes available scarce foreign goods, deforestation provides needed fuel, and manipulation of the state plan brings in funds, corruption has considerable popular support, making its elimination virtually impossible. Many cadres, moreover, refuse to cooperate in discipline work because they believe gift giving is indispensable for getting things done while waste and extravagance are the just reward for working hard and supporting Deng's policies. Still others feign compliance with central directives while actually opposing them in practice, or use the control machinery to give vent to personal spite and to lodge false accusations against people, causing an accumulation of charges, countercharges, and acts of revenge that are nearly impossible to sort out through the inspection commissions' quasi-legal procedures. In many disciplinary cases, there were incessant delays and inaction, while in others party committees and/or the Public Security Bureau took full charge of the investigation.

Responding to many of these problems, the Twelfth Party Congress decided to reinforce the discipline inspection commissions, expand their jurisdiction, and enlarge the CDIC's membership. In the new Party Constitution, formal authority was granted to "higher commissions . . . to check up on the work of lower commissions" and "commissions which take issue with decisions of the party committee at the corresponding level" were authorized to "take their case to the next higher party committee."⁷⁹ However, the immediate impact of this administrative tinkering on the CDIC's performance was apparently inconsequential. According to Wang Heshou (CDIC Deputy Secretary), disciplinary problems in the CCP in early 1983 were still "quite serious in some places" so that "no fundamental turn for the better as yet has been made in our party style."⁸⁰

Dilemmas of Reform and "Control"

The evident failure of control organs to discipline the CCP stemmed from the inability of Deng Xiaoping to break with Leninist dogma. Although some party "reformers," such as Liao Gailong, appealed for a CDIC strong enough to "mutually supervise and impose constraints" on the Central Committee, the party leadership was unwilling to create an independent control authority.⁸¹ The political risks of attacking corrup-

79. "12th Party Constitution," *Xinhua*, September 8, 1982.

80. *Xinhua*, February 19, 1983. Also, see the report by Han Guang (CDIC secretary) on "the situation of rebuffing serious crimes in the economic sphere." *Xinhua*, July 25, 1983.

81. See Liao's proposals, reputedly supported by Deng, reprinted in *The Seventies*,

tion and bureaucratic abuse by entrenched CCP power-holders—many Deng supporters—were simply too great, especially with the left's unexpected political strength. Instead, the leadership relied on the control apparatus to root out political enemies and secure the center's political hold on the party organization, while corruption and abuse continued largely unabated.⁸² Despite their awareness that problems of organization and work systems contributed to the Cultural Revolution, Deng's group did not improve on the 1955-68 model of party control which, in failing to halt the CCP's degeneration into a loosely disciplined party, helped create a social basis for the radical left to prey on mass antagonism toward party authority. If leading cadres continue to exploit their political power and reject equality before the law, then a strong patriarchal leader may once again emerge to discipline the bureaucratic and privileged class in the CCP by mass mobilization and purification of party ranks. Like the early 1960s, a party unable to rectify itself will confront a serious challenge to its authority.

This fear may, in fact, explain the leadership's harsher approach in late 1982 and 1983 to eliminating corruption and internal opposition to the Twelfth Party Congress.⁸³ Following press announcements that reform means revolution, Beijing sent down cadres to carry out pilot rectifications at the provincial level and below with orders to reorganize intransigent party committees, and, in October 1983, revealed plans for a major rectification of one to three million party members.⁸⁴ Deng Xiaoping, in the meantime, personally intervened in the Shanghai party committee to readjust leading groups and in Liaoning, Gansu, and Guangdong major leadership changes were also evidently effected.⁸⁵ Finally, the CDIC itself may have been eclipsed by the Central Committee's Political-Legal Committee (*zhongyang zhengfa weiyuanhui*) headed by Peng Zhen, which

March 1, 1981. Others also called for the independence of "supervisory organizations." *Kexuexue yu kexue jishu guanli* (Scienology and the Management of Science and Technology), No.6, June 1982. And observers in Hong Kong advocated that local party secretaries be barred from interfering in the work of discipline commissions. *Xin Wan Bao*, November 8, 1981.

82. By August 1983, however, discipline commissions were ordered to pursue a somewhat less partisan role by "concentrating their efforts on cases concerning the violation of party discipline, abuse of authority for personal gains, violation of laws or decrees in economic and other fields and severe dereliction of duty . . ." *Xinhua*, August 11, 1983.

83. See Hu Yaobang's speech at the CDIC's 1st Plenum (12th CC) in *People's Daily*, October 21, 1982, and his talk on ideological issues, *People's Daily*, January 2, 1983.

84. *Red Flag*, April 16, 1983; *People's Daily*, March 26, 1983, and June 17, 1983; and *New York Times*, October 12, 1983. The newly announced "rectification" may lead Deng to renege on his promise of no more mass movements.

85. *Radio Shanghai*, April 20, 1983; *Radio Gansu*, March 29, 1983; *Radio Guangdong*, March 5, 1983; and *Xinhua*, March 22, 1983.

was empowered to take a tough stand against economic and political crimes while intensifying class struggle against antisocialist and counter-revolutionary elements.⁸⁶ If such measures eliminate opposition to economic and political reform, especially by the radical left, and root out corruption among entrenched party power-holders, then they may be necessary. But if strong-armed methods are used solely for partisan purposes, the party leadership could cause a replay of the early 1960s when the failure to operate through the CCP's own constitutional procedures ultimately helped produce a political holocaust.⁸⁷

86. *China News Analysis*, No.1219, November 6, 1981, and No.1243, October 8, 1982; also, *People's Daily*, August 8, 1982. Party rectification will reportedly be carried out by another separate organization, the Central Committee's "Party Rectification Work Directing Committee" (*zhengdang gongzuo zhidao weiyuanhui*). *People's Daily*, December 23, 1983.

87. Supporters of "socialist legality" in the party have also warned of this possibility. *People's Daily*, March 28, 1983.

THE REFORM OF PROVINCIAL PARTY COMMITTEES IN CHINA

The Case Of Zhejiang

===== Keith Forster
=====

During 1982 Deng Xiaoping took steps to reform the organizational structure of the Chinese Communist Party (CCP) and appoint to its leading bodies and departments officials more in tune with his pragmatic thinking and policies. The 12th Congress of the CCP, held in September 1982, represented a major milestone in this process. With the central organs consolidated, Deng and the Party leadership pushed on to the next administrative level—that of the province, autonomous region, and directly administered municipality (hereafter referred to as province). Early in 1983 Party committees at this level underwent extensive changes of personnel either through the convocation of Party congresses or, as in the majority of cases, through public announcements at meetings of Party cadres. Together with this high turnover of provincial Party officials went a reduction in standing committee membership, a lowering of the average age, and an infusion of technical and professional cadres into these decision-making bodies.

This article examines the professed reasons behind the changes, the criteria for selecting new personnel, and the procedure followed in this selection. It notes in particular the important role played by Deng Xiaoping in this reform of far-reaching consequence, a reform that Deng termed a "revolution." For a case study, the article looks at the eastern seaboard province of Zhejiang, which Deng personally visited early in 1983 to oversee the restructuring of its administration. A detailed examination of one province may help throw light on some of the difficulties the reformers experienced in this undertaking. The extent of Deng's success in appointing officials loyal to him provides some basis for assessing the likely outcome of the most complex and arduous reform, which

Keith Forster teaches at Swinburne Institute, Melbourne, Australia, and taught at Hangzhou University from 1977 to 1979.

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began in winter/spring 1983-84—rectification of the CCP and a careful scrutiny of the capabilities and political tendencies of its 40 million members.

Deng's Model

Following his decisive victory over Hua Guofeng and the "whatever" faction at the Central Committee (CC) 3rd Plenum of December 1978 and the establishment of a new direction in Chinese politics, Deng, supported by policy initiatives, turned his attention to organizational issues. At the CC 5th Plenum in February 1980, Deng made his first major breach when four leading opponents, including Mao Zedong's former bodyguard, Wang Dongxing, were forced to resign. Then at the 3rd Session of the 5th National People's Congress (NPC) held in August–September 1980, Deng forced Hua out of his seat as premier on the pretext of reducing concurrent posts. In an authoritative speech at an enlarged meeting of the Political Bureau held on the eve of this NPC session, Deng outlined in detail his views on the leadership system, how it should be reformed, and what sort of people he favored gaining promotion and support.

Deng stressed in this speech that a large number of talented people who upheld the four fundamental principles (Party leadership, socialist path, dictatorship of the proletariat, Marxism-Leninism—Mao Zedong Thought), who possessed specialized skills and knowledge, and who were younger in age, were needed to implement the economic and political strategy.¹ While admitting that in 1975 he had condemned "rocket" or "helicopter" promotion, he now contended that the traditional method of step-by-step elevation based on seniority was also unsatisfactory. He suggested giving outstanding personnel a smooth run up the ladder, skipping rungs on the way. Thus it was not the principle of rapid promotion Deng opposed but the criteria on which this promotion was based. He had had no use for "rebels" and Cultural Revolution activists in 1975; in the 1980s he desperately required educated and professionally competent officials, and was prepared to bend the rules to cultivate them.

Deng asserted that the two most important criteria in assessing potential candidates were moral integrity (*de*) and ability (*cai*). The two most important factors in judging moral integrity were the person's persistence in the socialist road and upholding of Party leadership, two of the four fundamental principles noted above. Realizing full well that large numbers of cadres would overtly and covertly resist his program, Deng called on Party committees and organization departments to liberate their think-

1. Deng Xiaoping, "Reform of the Party and State Leadership System," August 18, 1980, *Deng Xiaoping Wenxuan* (Beijing: People's Publishing House, 1983), pp. 280-302.

ing, overcome obstacles, smash old conventions, and discover, train, and utilize outstanding talent.

How Deng himself had uncovered this kind of person was revealed in an article published in late 1982.² In July 1980, the month prior to the meeting of the Political Bureau at which Deng set out his position, the wily veteran was in Hubei province on an inspection tour. At an automobile plant near Wuhan, Deng met a man called Wang Zhaohuo, 38 years old and deputy-director of the factory. Wang had been an active member of party-led mass organizations in his youth and in 1965 had joined the CCP. He graduated from college in 1966 and commenced work at the automobile plant two years later. During the turmoil of the Cultural Revolution, Wang worked diligently in various sections of the factory and ignored the political campaigns going on around him. In 1976 he had boycotted the movement to criticize Deng. His performance, in Deng's eyes, met precisely the requirements he was formulating for political succession.

A year after this discovery, in July 1981, in a talk to provincial party secretaries after the CC 6th Plenum, Deng reiterated the necessity of selecting suitably qualified personnel.³ Otherwise, he claimed, disaster and chaos would ensue. This was an urgent and crucial matter in which veteran cadres had to set an example. Deng specifically mentioned the 600,000 university graduates from the years 1961-66 as a suitable pool from whom to choose successors. These people had specialized knowledge, good political records, and in the Cultural Revolution had remained indifferent to factional strife. In fact, many had come under attack, a sign of their attitude toward it, according to Deng. This group of graduates was aged around forty. Their credentials were impeccable.

Procedure and Criteria

Hu Yaobang, in his report to the CCP 12th Congress, reiterated his patron Deng's established criteria in selecting new leaders—that they be revolutionary, younger, qualified, and specialized. To this end he called on veteran cadres to withdraw from active duty and use their experience in an advisory capacity. In their place middle-aged and young cadres would work alongside some remaining elderly leaders so that when the latter retired, their younger colleagues could carry on the cause. Five categories of people would not be considered for promotion, warned Hu, and they would also be removed from any positions they still occupied:

2. *Beijing Wanbao*, October 1, 1982, in BBC, *Summary of World Broadcasts, The Far East (SWB/FE)* 7160/BII, pp. 3-5.

3. Deng Xiaoping, "The First Task of Veteran Cadres is to Select Middle-Aged and Young Cadres," July 2, 1981, in *Deng Xiaoping Wenxuan*, pp. 339-343.

rebels, factionalists and trouble makers left over from the "ten years of disorder," opponents of the line and policies set out at the 3rd Plenum, and violators of the law, or of party discipline. Hu urged older comrades to assist in ensuring a smooth transition.

The about-to-be-elected CC general secretary set out clearly the aim of this reform:

The main aim of reforming the system of leadership and leading organs of the Party and state is to eliminate such defects as over-concentration of power, proliferation of concurrent and deputy posts, organizational overlapping, lack of clear-cut responsibility, overstaffing and failure to separate Party work from Government work, and in these ways overcome bureaucracy and increase work efficiency.⁴

Ye Jiangying and Chen Yun, two of the oldest veterans in the CCP leadership, also addressed themselves to this vexing question of retirement in their speeches to the Congress. Although like Deng they did not set personal examples in making way for younger cadres, they both supported the concept in principle. Ye reassured the veterans that their past contributions would not be forgotten. Chen saw the role of remnant front-line leaders as one involving guidance, transference of experience, advice, and supervision over major issues.⁵

At the 1st Plenum of the newly elected 12th CC, Hu Yaobang returned to the theme of organizational reform. Its success, he argued, depended largely on the leading cadres' attitude toward it and the amount of work they were prepared to do to accomplish the assignment.⁶ The importance of the task was also proclaimed in the New Year's editorial, which listed administrative restructuring as one of the two major reforms for 1983.⁷

The procedure involved in restructuring provincial party committees could be deduced from a *Red Flag* editorial of July 1982.⁸ The editorial summed up the experience gathered from reform carried out at the central level. Some of the points referred to that are most relevant to this article included the method of establishing two leading groups within the body under reform, one to take charge of the reform itself, and the other to concern itself with routine work. Experience had shown, pointed out

4. Hu Yaobang, "Report to the 12th National Congress of the CCP," in *The Twelfth National Congress of the CPC* (Beijing: Foreign Languages Press, 1982), pp. 70-73.

5. Speeches of Ye Jiangying and Chen Yun in *ibid.*, pp. 133, 136.

6. Hu Yaobang, "Speech at the 1st Plenum of the 12th CC," September 13, 1982, in SWB/FE/7166/BII, pp.1-4.

7. *Renmin Ribao* (RMRB), January 1, 1983, in SWB/FE/7222/BII, pp. 1-3.

8. Hongqi editorial department, "Sum up Experience, Persist in Reform," *Hongqi*, No. 14, July 16, 1982, in SWB/FE/7098/BII, pp.1-8.

the editorial, that the transition period should be as short as possible and that action should be taken to prevent any unit or individual from creating trouble or sowing confusion. While the size of the leading body would be fixed in advance, the choice of candidates required collective discussion with input from non-Party citizens. The editorial stated that veteran cadres must be allowed to play an active role in the selection process.

For reform at the provincial level, suggested Hu in his speech to the 1st Plenum in September 1982, the central authorities could assist by sending out officials from Beijing. Implicitly recognizing the obstacles that localities and loyal ties could place in the way of reform, Hu forwarded two reasons to back up his proposal. First, when difficulties arose in selecting the new leading group and awkward decisions had to be taken, the outside cadres could "help local comrades make up their minds and speak on their behalf." Second, the outside officials could "help local comrades listen to opinions from the broad masses and follow the mass line." The central figures have sufficient status to ensure that their voices carried plenty of weight. They would include members of the CC, Central Advisory Commission, Central Discipline Inspection Commission, and retired cadres of vice-ministerial or deputy-directorial rank.⁹

That the CCP leadership was indeed running into obstacles in implementing provincial leadership reform was illustrated by the Circular of the CC Organization Department issued in February 1983.¹⁰ The circular laid down five rules for cadres, reflecting the strength of opposition to Deng's reform. First, these regulations ordered cadres to remain at their posts and continue working, rather than resign or go on trips. Second, the circular exhorted officials to accept the decision of the organization and not interfere with personnel arrangements. Third, it forbade any attempt to boost personnel numbers to create new units in anticipation of a reduction (thus circumventing one of the purposes of reform). Fourth, those officials about to be demoted, retired, or shifted were asked to accept the decision gracefully and not oppose reform or disturb unity by practicing factionalism. Finally, the circular demanded strict adherence to state financial regulations, presumably to head off any misappropriation of funds by officials striving to create new departments or hire extra personnel.

Song Renqiong, then director of the CC Organization Department, in a speech in the same month, specified the requirements for new leaders in provincial Party committees.¹¹ Of the three leading cadres, one should be

9. Hu Yaobang, "Speech at the 1st Plenum."

10. CCP, CC, Organization Department, "Circular on Administrative Reform," in *SWB/FE/7270/B11*, pp. 2-3.

11. Song Renqiong, "Speech at the 2nd National Conference on the Work of Party Schools," February 22, 1983, in *SWB/FE/7270/B11*, pp. 2-3.

about 55 years of age; one-third of the standing committee members should also be about 55 and one-third should have a college education. The standing committee should include officials qualified in the fields of industry, agriculture, culture, education, science, technology, management, finance, and trade. Song made no mention of military expertise.

By the establishment of certain clearly defined guidelines, the issuance of regulations, the dispatch of officials from Beijing, and the experience accrued from reform at the center, Deng and his associates hoped to reduce and nullify opposition and achieve restructuring as quickly and painlessly as possible. However, more importantly, success relied on acceptance of the criteria put forward by Deng. Otherwise endless bickering over the suitability of an individual would hold up the process and allow local officials to use all their influence and connections to stall or even sabotage Deng's aims.

Opinion seemed to vary. The crucial issues were the relative weight to be attached to moral integrity and professional competence and how to define these two criteria. One article in *Red Flag* called for a detailed analysis of a proposed candidate's family background, social relations, personal history, and present performance as a prerequisite to selection.¹² Song Renqiong contributed a lengthy article on the subject in October 1982.¹³

While recognizing that political considerations alone could not determine a person's worth, Song wrote that strict political standards were the main prerequisite. He appeared to view the two criteria of political integrity and professional competence as two opposites that do not necessarily unite in one individual:

It is a pity that those who possess political integrity without professional competence can hardly take up an important post, although admittedly they are politically trustworthy; the professional competence of those who possess professional competence without political integrity is precisely enough to make them more self-seeking and wily. If we put them in important positions, they will constitute a grave danger to us.

Song believed that it was unrealistic to try and seek out "all-rounders" or "perfect men" to fill posts. However, he seemed to infer that while unobtainable, the concept in itself was not undesirable. This view directly contradicted Deng's assessment that generalist cadres were incapable of meeting China's needs and had to be replaced by specialists.

12. Zong Rong, "Be Sure not to Choose a Villain for a Job," *Hongqi*, No. 15, August 1, 1982, in SWB/FE/7117/BII, pp. 2-4.

13. Song Renqiong, "Build a Good Cadre Contingent . . .," *RMRB*, October 2, 1982, in SWB/FE/7159/BII, pp. 1-7.

From the whole tenor of the article, including the admission that his department had not performed its work satisfactorily in the past, it is highly unlikely that Deng would have looked at the department's prospects under Song with much confidence.¹⁴

A January 1983 article in *People's Daily* made it clear that Song's explanation of the relationship between moral (political) integrity and professional competence had probably served only to reinforce existing prejudices within the cadre ranks against their colleagues with intellectual or professional backgrounds.¹⁵ The author of this article commented that problems had arisen as to what relative emphasis should be placed on the two criteria and how to define moral integrity and professional competence. In principle, stated the article, it was recognized that there existed an abundance of qualified personnel from whom to draw, but when specific cases were discussed, individuals were rejected because they were not "ideal" or to the liking of those responsible for selection.

The article attempted to attribute such disputes to faulty comprehension of the criteria or the influence of old conventions and ideas. More seriously, it accused other cadres of suffering from leftist or factional influences. To clear up such confusion and at the same time make it clear that leftist deviations would not be tolerated, the article attempted to define both criteria.

Moral soundness, argued the writer, was reflected in a desire to serve the people, an ability to throw oneself headlong into the battle for modernization, adherence to the four fundamental principles, and acceptance of and enthusiasm for the goals set at the CCP 12th Congress. Although people who met these requirements might have various shortcomings, they were superior to obsequious "good old chaps" or vacillating "blades of grass on top of the wall" being blown around in the wind. They were also "much better than those who seek ease and comfort, pursue personal interests, resort to boasting and toadying, go with the tide, find fault with the Party and comrades and stay aloof from the main forces which are doing pioneering work."

Professional competence, explained the article, also needed to be understood correctly. Here it was defined as an ability to unite with and guide the people to effectively develop both material and spiritual modernization. Selection of cadres should concentrate on tertiary graduates educated since 1949 and those who had acquired specialized knowledge

14. At the July 1983 National Work Conference on Organizational Work, Song Ren-qiong no longer held the post of director.

15. "Correctly Comprehend and Carry out the Principle of Having Cadres who are Sound Morally and Competent Professionally," *RMRB*, January 14, 1983, in *SWB/FE/7335/BII*, pp. 9-12.

in their field through self-study. Their practical experience was proof of an adequate theoretical understanding, professional competence, and leadership ability.

Contrary to Song Renqiong's assertion that political integrity and professional competence stood in contradiction to each other, the article, in a resounding rebuke, claimed that unity did exist between the two criteria. It was impossible, argued the author, for a cadre to have one attribute without the other. Thus "red" and "expert" had become synonymous because "expert" now subsumed Deng's definition of "red" within itself. What was expert was red.

This important article also raised three other issues. First, it emphasized the necessity to treat intellectuals fairly and not mistake their commitment to science, their desire for privacy in their studies, and confidence in their own abilities for pride, arrogance, or disobedience. Second, those cadres who had made mistakes in the past still deserved consideration (unless of course they belonged to one of the five categories mentioned above). Third, merit, not favoritism, determined appointment, and merit accumulated through a totality of practice, not a single act.

The article's call for the elimination of factionalism left over from the Cultural Revolution and a warning about the possibility of the emergence of a new kind of sectarianism reflected very real fears on the part of the leadership. In his push for reform, Deng may have served not only to alarm and arouse previous allies or neutral elements, but more dangerously to throw them together with groups they had in the past opposed. Remnant Maoists, dissatisfied PLA officers, and cadres of the Cultural Revolution generation had no place in Deng's China. But the vast ranks of politically trained generalists of all ages whom the CCP had relied on to win the revolution and carry on socialist construction since 1949 were a mighty force. Their dissatisfaction, moreover, was the dissatisfaction of their families, friends, colleagues, and subordinates.

The Situation in Zhejiang

Before discussing in detail the way reform was undertaken in Zhejiang province, it is necessary to give some background to provincial politics prior to 1983. Tie Ying, first secretary of the CCP Zhejiang Provincial Committee (ZPC), had held that post since 1977. After the removal of Lin Biao's followers in 1972, Tie had been promoted from his post as political commissar of PLA units stationed on the Zhoushan Islands in the East China Sea to become deputy to Tan Qilong on the ZPC. When Tan was transferred out of Zhejiang following the arrest of the Gang of Four, Tie assumed all his posts and became the undisputed leader of the province.

At the CCP 11th Congress held in August 1977, Tie was elected to the CC, and then reelected at the 12th Congress. By then he had led the ZPC for five and a half years under the direction of Hua Guofeng and later Deng Xiaoping. Although the province's economic performance during that period had been very satisfactory,¹⁶ there were signs that Tie's position was not completely secure. With the liberation in 1977-78 of high-ranking cadres who had worked for many years in Zhejiang prior to the Cultural Revolution, Tie faced challenge from nominal subordinates who had greater administrative experience in the province, who had a far more extensive network of ties down through the bureaucracy, and who now returned as victims of the "ultra-left" line of the Cultural Revolution.

Among these veteran cadres, the most important were Li Fengping, Wang Fang, and Xue Ju. Li Fengping had been secretary of the ZPC and deputy to First Secretary Jiang Hua when the Cultural Revolution began. He returned to office with the same rank, under Tie Ying, at the 6th Congress of the CCP ZPC in May 1978. In December 1979 he became governor of Zhejiang. Li had experience in public security work in particular but had ranged over the whole field of general administration. Wang Fang¹⁷ had also specialized in public security work. At the time the Cultural Revolution erupted, he was deputy-governor of Zhejiang and first secretary of the extremely sensitive and isolated southern prefecture of Wenzhou. Wang reemerged in 1977 as deputy-secretary of the ZPC and soon broadened his involvement in many fields of activity, including government and military affairs. Xue Ju¹⁸ had been deputy secretary-general of the ZPC in 1966. He also reappeared in 1977, as deputy-secretary and secretary-general of the ZPC. All three men had outstanding records in resisting the Cultural Revolution, opposing the Maoist radicals and supporting the Party machine. For this they had been denounced and stripped of all power.

Li, Wang, and Xue stood as firm supporters of the increasingly influential veteran "capitalist-roaders" headed by Deng. They could act as his loyal watchdogs in keeping an eye on Zhejiang affairs. At the 12th

16. See Li Fengping, "Report on the Work of Government," April 22, 1983, in *Zhejiang Ribao* (ZJRB), May 2, 1983. In this report to the 6th Congress of the Zhejiang Provincial People's Congress (ZPPC), Li revealed that Zhejiang's industrial output value had lifted the province from 15th to 10th rank in the years 1978-82. Agricultural production had also risen substantially.

17. For further information on the career of Wang Fang, see "Wang Fang—Newly Elected Secretary of the CCP Zhejiang Party Committee," *Issues & Studies*, 19:8 (August 1983), pp. 67-71.

18. For further information on the career of Xue Ju, see "Xue Ju—Newly Elected Governor of Zhejiang," *ibid.*, 19:10 (October 1983), pp. 82-87.

Congress, both Wang and Xue were promoted onto the CC while the older Li joined the Central Advisory Commission. These moves signified impending changes in the politics of Zhejiang.

Tie Ying had come under attack in the anti-Lin, anti-Confucius campaign of 1974 from radical mass leaders and was forced out of active participation in political life. During Deng's ascendancy in 1975, Tie resumed work but was again pushed aside in 1976 when the radicals launched another assault on Deng and his policies. Tie's treatment during these years indicated that he was certainly no friend of the Maoist rebels and their mobilizational style of politics involving confrontation and struggle. Neither was he a lawbreaker. But could Tie be described as an opponent of the policies and program of the 3rd Plenum, the great watershed in post-Mao politics?

Before tackling this important issue, it is worth noting the disadvantages and liabilities Tie already labored under. He was a relative newcomer in a province that does not take readily to outsiders. He could not match the breadth and depth of experience acquired by Li, Wang, and Xue over many years in Zhejiang. Although he had felt the wrath of the radicals in 1974 and perhaps again in 1976, Tie's career had prospered, rather than suffered, in the ten years of "chaos." Also, he was a career soldier at a time when cadres of this background were fast disappearing from civilian posts. Finally, there is evidence that Tie disapproved of some aspects of post-3rd Plenum policies and perhaps resisted their implementation.

In his speeches, reports, and articles since 1979, Tie has shown a tendency to repress any enthusiasm he may feel for the new direction in which Chinese politics is heading. Like other older military cadres, Tie probably opposes the undermining of Mao Zedong's status and prestige. He may be sympathetic to PLA complaints regarding its reduced role in Chinese political life. Tie displayed an obvious coolness for the central leadership under Deng in a March 1981 article, especially when compared to the effusive praise emanating from Xue Ju in an article published five days later.¹⁹

More important, at a work conference of the CCP ZPC held in October 1980, Tie Ying, in a speech on rural work,²⁰ said that while the responsibility system should be implemented throughout the province,

19. Tie Ying, "Unfold Thorough Propaganda and Education to Uphold the Four Fundamental Principles," *ZJRB*, March 5, 1981; Xue Ju, "Conscientiously Implement the Party's Line, Principles and Policies of the 3rd Plenum," *ibid.*, March 10, 1981.

20. Tie Hing, "Report on the Rural Economy," *Radio Zhejiang*, October 28, 1980, in *Foreign Broadcast Information Service, Daily Report, China (FBIS/China)*, 211, October 29, 1980, pp. O1-O4.

because the collective economy was quite firmly established in Zhejiang, it was not necessary to break up the collectives and fix output quotas at the household level. In remote and poor areas of the province that relied on state support, the household responsibility system would be permitted, said Tie. But he made it clear that these areas were few and the policy, if applied, was only to be a short-term expediency. Once the agricultural economy developed there, the peasants could return to the collective road with the production team as the basic unit.

Tie's remarks were fully in accord with the CC document of September 1980 that permitted the establishment of the household responsibility system in only the poorest one-third of production teams in China. However, Tie may have held a different view from Deng as to what constituted poverty in the Chinese countryside. Also, by emphasizing that Zhejiang's peasants had done well under the commune system, Tie was resisting the trend to find flaws in the system. He said that agriculture needed planning and leadership based on the three-tiered system of commune, brigade, and team. Household-based agriculture, he seemed to imply, was outside socialist collectivism and basically not applicable to an advanced area like Zhejiang. With the practice of the Chinese peasants going well beyond policy but receiving official endorsement post facto, and the thinking of the Chinese leadership continually shifting, Tie's position soon became untenable. Political developments had a tendency to leave many people in their wake, and Tie joined those left behind.

Another issue upon which Tie seemed to take issue with the Deng leadership concerned the caliber of CCP members admitted during the Cultural Revolution. In an article published in the national press in November 1982,²¹ Tie lumped together those who had joined the Party during the "ten years" with those who had joined since 1976. Both groups of new members had not received any systematic education in basic knowledge of the Party or rigorous training in inner-Party life, argued Tie. He also stated clearly that these 500,000 or so new CCP members, almost half of the Zhejiang Party membership, were superior to their senior colleagues in several ways. They were younger and in the prime of life, they had a higher educational standard, and they showed themselves more receptive to new influences. They had already established themselves as leaders at basic-level units and were an important source from which to choose leading cadres. Tie's view contrasted with Deng's preference for pre-Cultural Revolution graduates as the major source from which to select future leaders.

21. Tie Ying, "Use the Greatest Enthusiasm to Strengthen Education Among New Party Members," *RMRB*, November 17, 1982, in *SWB/FE/7190/BII*, pp. 11-12.

Tie Ying also expressed the opinion that the overwhelming majority of CCP members admitted during the Cultural Revolution had qualified according to the criteria of the time. As he explained, if they had not been recommended on the basis of "taking a clear-cut firm stand in the struggle between the proletarian and bourgeois headquarters and in the struggle between the two lines," the Party would not have accepted them. Although these CCP members remained under a cloud because of their past, Tie emphasized that "we should not over-emphasize these remarks at the expense of the actual performance of these comrades." This stand of Tie's put him in obvious confrontation with Deng's suspicion of, if not outright hostility towards, a large number of Party members admitted during the Cultural Revolution. It also made Tie a liability to Deng when the provincial branch of the Party was set the task of purging many of these members from its ranks.

REFORM IN ZHEJIANG

The above, then, is a brief outline of the situation faced by the central authorities when they approached administrative restructuring in Zhejiang. After the 12th CCP Congress, the CC sent a series of teams led by high-ranking officials to Hangzhou to discuss reform of civilian and military leading bodies. Minister of Defense Zhang Aiping, once commander of the Zhejiang Military District in the 1950s, arrived in December 1982 for talks on the PLA leadership. The 72-year-old Zhang pointed out that

only co-operation between old and new cadres and the succession of the new to the old can guarantee that our leading bodies at all levels are filled with a new and dynamic atmosphere at all times and that our revolutionary cause can be carried forward and developed.²²

The 5th Session of the 5th Zhejiang Provincial People's Congress (ZPPC) convened at around this time. In a speech given wide coverage by *Xinhua*, Tie Ying was forced to retract his earlier views on the responsibility system in agriculture at the household level. He admitted that heated disputes had occurred as to the advisability of instituting the system in developed agricultural regions, and the leadership had "had quite a few misgivings." But the enthusiasm with which the peasants had taken it up and the successes they had achieved had proved the leadership wrong. This demonstrated, said Tie frankly, that the leaders' minds were insufficiently "emancipated" and that only going out to see for themselves had convinced them of its suitability to conditions in Zhejiang.²³

22. Radio Zhejiang, December 2, 1982, in *SWB/FE/7204/BII*, p. 13.

23. Tie Ying, "Speech on the Responsibility System in Agriculture," *Xinhua* report, December 3, 1982, in *SWB/FE/7207/C*, pp. 6-7.

With the unannounced arrival of Peng Zhen in Hangzhou early in 1983,²⁴ pressure on Tie Ying was building. In January a lengthy ZPC work meeting began that clearly would determine Tie's fate. Tie Ying spoke to the work conference on the need for reform in 1983: "Success in reform requires our efforts to further emancipate 'left' influence and break outdated conventions, which are incompatible with the new situation." Tie particularly mentioned leadership reform "with emphasis on letting young cadres with sufficient education fill posts in such bodies while meeting the requirement that leading body members must be revolutionary."²⁵

Agriculture was another topic discussed at this meeting. One of Tie's deputies, Chen Zuolin, secretary of the ZPC and in overall charge of agricultural work, made a speech on this subject that was later given national publicity.²⁶ He reiterated Tie's confession the previous month that leftist thinking continued to influence work in this field, as manifested in a previous reluctance to implement the household-based contractual responsibility system. Chen revealed that it had not been until August 1982 that this opposition had been overcome. Opponents of the reform regarded it as a step backward in relation to the future of socialism in the Chinese countryside. Chen declared that three aspects of the commune system were regarded as crucial to collectivization and therefore inviolable by these antireformists. From the point of ownership, the three-tiered system of commune, brigade, and team was regarded as the only organizational form. Collective labor and payment according to number of work days were seen, respectively, as the sole form of labor organization and of remuneration. Household operations were equated with the small-scale peasant economy of pre-Liberation times. This position of the antireformers appeared to be very similar to that put forward strongly by Tie Ying in 1980 when he spoke against the applicability of household-based agriculture to Zhejiang.

More serious, Chen Zuolin explained that opposition to agricultural reform had placed the Party in conflict with the peasants: "In the past we failed to pay due respect to the initiative of the masses and always thought of bringing the practice of the masses into our orbit." Chen demanded the Party rid itself of leftist shackles, go out and learn what the peasants wanted, and adapt its thinking to the demands of the times and the

24. See Tie Hing's remark to a Xinhua reporter at the 6th NPC in *ZJRB*, June 21, 1983.

25. Radio Zhejiang, January 21, 1983, in *FBIS/China*, 25, pp. O8-O9.

26. Chen Zuolin, "Speech at the Work Conference of the ZPC," in *RMRB*, February 21, 1983, trans. in *FBIS/China*, 25, pp. O8-O9.

changing situation. While not stated openly, responsibility for these mistakes necessarily rested with Tie Ying.

Tie may have failed to keep up with changing events and attitudes, but statistics showed that provincial agricultural production had progressed most satisfactorily since 1976. Figures given at the 6th ZPPC in April 1983 show that during the years 1978-82, agricultural production had increased at an average annual rate of 11.5% compared to 4.4% over the previous 28 years. Grain production had risen at an annual average rate of 12.92% over the same period. Income from commune enterprises had trebled and average peasant income had increased 1.6 times to a level of 293 yuan over the same five years.²⁷

While economic statistics may have bestowed credit on Tie Ying's leadership, for Deng this was obviously insufficient. He demanded total ideological and political compliance and reassurances of future dependability. Thus Deng himself joined Peng Zhen, Jiang Hua (then chairman of the Supreme People's Court), and "other leading comrades of the central organs" in Hangzhou on February 13, 1983, to celebrate the Chinese New Year.²⁸ The commander of the Nanjing Military Region, under whose jurisdiction the Zhejiang Military District operates, was also present. Before an assembly that also included the provincial party, government, and military leadership, Tie Ying made his last major public appearance as first secretary of the ZPC.

It is most probable that Deng played a major supervisory role in finalizing and approving the names of the new standing committee members of the ZPC. A report from Shanghai, where Deng also visited in February, described how the veteran leader had perused the name list of candidates for the new municipal leadership in that city. Deng "also expressed concrete opinions" on readjusting the leadership, opinions that "were soon unanimously supported by the principal responsible comrades of the Party Central Committee."²⁹ A Hong Kong newspaper added further detail to this account of Deng's visit to Shanghai by quoting him as saying:

Competent and qualified people abound in Shanghai, but we must select younger people. . . . Some elderly comrades should stay on in their post [*sic*] for 2 to 3 years to pass on their experience to younger people and then they may work as consultants. They will still have a lot of work to do. However, we must depend on the young. We should not hang on to our posts forever.³⁰

Deng was thus proposing a transitional arrangement with certain reli-

27. *ZJRB*, May 2, 1983.

28. *Xinhua*, February 13, 1983, in *FBIS/China*, 31, pp. K7-K8; *SWB/FE/7261/BII*, p. 1.

29. Radio Shanghai, April 20, 1983, in *SWB/FE/7316/BII*, pp. 4-5.

30. *Wei Wei Bao* (Hong Kong), April 27, 1983, in *FBIS/China*, 86, p. W2.

able veteran cadres remaining in their posts to chaperone their younger colleagues through their political debut. When the ZPC called a meeting of provincial office party cadres and members of party committees at the prefectural and municipal level on March 11, 1983, to announce the new leadership, Tie Ying was not included among these reliable veterans. Wang Fang and Xue Ju assumed the posts of secretary and deputy-secretary, respectively, of the ZPC. Membership of the standing committee was reduced from eighteen to eleven with only Wang and Xue plus one other older cadre remaining to play "mother." In age specifications, the standing committee met the requirements of the central authorities, and four members, in contrast to only one on the preceding committee, had tertiary education.³¹

Propaganda from Beijing tried to emphasize the role of local initiative and discussion in the formation of the new leading body,³² but the provincial broadcast made it clear that the initiative had come from the top.³³ Li Fengping, in a written statement to the meeting, claimed that the "old comrades" had selected their successors,³⁴ but it is doubtful whether Tie Ying had figured prominently in these discussions. Unlike Li, he was not allotted a prominent place in the future of Zhejiang's politics.

Tie Ying was also present at the investiture ceremony and made a speech. Like Li, he called on veterans to support the new leadership but in markedly less enthusiastic terms. Wang Fang showed some deference to what he called "leading comrades" such as Tie and Li who had withdrawn to the second and third lines.³⁵ But events soon showed that some second and third line positions had more power and a higher status than others. At the 6th ZPPC held in April–May 1983, Li replaced Tie as chairman of its standing committee while Xue Ju replaced Li as provincial governor. Since Li is older than Tie by perhaps as much as ten years, this change was undoubtedly based on political considerations. Tie has become chairman of the Zhejiang Advisory Commission, and as a delegate to the 6th NPC in June 1983 received widespread publicity both in the national and provincial press.³⁶ But the veteran pre-Cultural Revolution ZPC cadres, Li Fengping, Wang Fang, and Xue Ju have emerged as Deng's stewards in Zhejiang, responsible for training and grooming reliable successors.

31. *RMRB*, March 24, 1983.

32. *Xinhua*, March 24, 1983, in *SWB/FE/7293/BII*, p. 3.

33. *Radio Zhejiang*, March 12, 1983, in *SWB/FE/7286/EII*, p. 4.

34. *Radio Zhejiang*, March 12, 1983, in *FBIS/China*, 53, pp. O2-O3.

35. *Ibid.*

36. *ZJRB*, June 10, 1983, June 12, 1983, June 22, 1983 (from *RMRB*, June 21, 1983); *Xinhua*, June 14, 1983, in *FBIS/China*, 117, pp. K7-K8.

Conclusion

Of the four criteria Deng drew up to assess the suitability of prospective candidates for promotion, two appeared to be objective and two to be more subjective. Age and academic qualifications, while outwardly based on objective considerations, were, however, subjected by Deng to political limitations. Younger people were required, but preferably not those educated and tested in the Cultural Revolution. Similarly, academic qualifications attained in this period could not compare with those earned in previous years. Professional skills were those needed for the four modernizations as defined by Deng, a modernization program that considered science and technology politically neutral, depended heavily on foreign trade and finance, rewarded skill and achievement with individual monetary incentive, and in rhetoric at least put a premium on efficiency, profit, responsibility, and productivity.

"Revolutionization" of leading cadres became synonymous with anti-Maoist, antileftist, pro-Deng sympathies. It meant a preparedness to follow Deng in whatever direction he steered China. It also demanded an ability to keep up with the steady and progressive abandonment of the goals of the Chinese revolution as set by Mao. Tie Ying could not satisfy Deng and lost his position.

Under the guise of objective criteria, Deng set out to rid the provincial bodies of all leaders not to his liking. In Zhejiang the goals set by Hu at the 12th Congress of eliminating overconcentration of power, the proliferation of concurrent and deputy posts, and the overlapping of Party and government work were only partly achieved. Many provincial leaders under Tie on the old ZPC standing committee found niches in the government hierarchy or remained as heads of departments under the ZPC. In their cases advanced age or lack of professional skills or educational qualifications did not prevent their continued activities on the front line of provincial politics. A few remaining factional leaders of the Cultural Revolution lost their posts, but the biggest loser was Tie Ying.

The reform of the Zhejiang party leadership demonstrates that political considerations took precedence over supposedly objective criteria in choosing successors. Deng has retained the services of trusted veterans to ensure that the present transitional arrangements prepare the ground for a secure, stable future. Whether this occurs may depend to some extent on the political strength of those Deng has alienated in his striving for administrative reform.

Postscript

On November 26, 1983, the 7th Congress of the CCP, Zhejiang province, opened in Hangzhou. The 680 delegates representing the more

then 1.1 million Party members deliberated for six days over the reports presented and elected a new ZPC. At its 1st Plenum, the ZPC elected a standing committee of 12, with Wang Fang being reelected secretary. Tie Ying retained some status, if not power, as chairman of the Zhejiang Advisory Commission.³⁷

There seemed to be some difficulty, and some difference of opinion, as how to assess the five and a half years that had passed since the previous provincial party congress. The ZPC plenum held on the eve of the Congress had made an overwhelmingly positive appraisal of developments during this time. In his opening address to the Congress, Tie Ying, as the person responsible for party work during most of this period, listed the achievements in some detail, although he did mention that shortcomings still existed in the work of the ZPC.³⁸

Newspaper reports before and during the Congress tended to divide this period into two stages—one beginning with the 3rd Plenum and the other “since the 12th Congress” or “especially this year,” this latter stage roughly coinciding with the change in provincial leadership, which was presented as a turn for the better.³⁹ Wang Fang, in his report to the Congress, also referred to “new victories since the 12th Congress.”⁴⁰

While allowing a certain amount of credit for the achievements of the past five years, Wang did not hesitate to point out the reverse side of the coin, and in no uncertain terms. First he noted resistance to Deng’s assault on the basic tenets of Maoism and to the numerous and far-reaching policy changes made in conformity with the slogan “Practice is the sole criterion of truth”:

During the previous five years many shortcomings and inadequacies existed in our work. After the shift of the center of our work [December 1978] our ideological and work levels were far removed from the demands of the four modernizations. We were complacent ideologically and in some questions insufficiently liberated in our minds. We were slow to see things and then did not act vigorously enough. We made many decisions but did not oversee and check on them. We paid insufficient attention to certain districts and areas of work which called for close attention. The phenomena of lack of division between party and government, and the party failing to keep its affairs in order, remained. We still have not thoroughly expunged impurities within the party in ideology, work-style, and organization. Weaknesses in ideological and political work, and weak, lax leadership, are still quite prevalent.

37. See reports in *ZJRB*, November 25, 26, 27, 1983; December 1 and 3, 1983.

38. See *ibid.*, November 4 and 27, 1983.

39. See *ibid.*, November 20 and 28, 1983.

40. Wang Fang, “Follow the Correct Road Determined at the 12th Congress and Initiate an Entirely New Phase in Socialist Modernization in Zhejiang,” *ibid.*, December 3, 1983.

It seems that in bringing home the blame to Tie, Wang was also protecting his own position by pointing out to his superiors that they could not expect short-term miracles in changing this situation.

Wang noted that in implementing the policies of the CC, the ZPC had been dilatory or even obstructionist in certain areas. He singled out two major policies for special mention, confirming the thrust of the analysis above. Regarding the responsibility system in agriculture production, Wang stated that "for quite a long time [the ZPC's] thinking was insufficiently liberated, its understanding lagged behind the masses." On the question of leadership reform, the ZPC's "understanding and performance had not met the demands of the CC."

This "understanding and performance" may have improved after Wang's replacement of Tie, but it is clear that resistance to reform remained strong. This becomes apparent in examining reform of the subprovincial leadership at the district/municipal level in the six months from March to September 1983. In at least three districts, seats remained vacant in the leading bodies, either illustrating a dearth of qualified personnel, or, more likely, revealing a complete inability on the part of the local authorities to agree on candidates and then gain the confidence and approval of the provincial leadership.⁴¹

The major problem remained, as at higher echelons in the Party, the veteran cadres. Wang Fang, in attending the inauguration of the new leading group in Jinhua District, called on these retiring cadres to genuinely and sincerely support the new leaders, not only to their faces, but also behind their backs. He also urged them to mobilize popular support for the new comrades.⁴² Most likely the veteran cadres would have had little trouble in sowing seeds of suspicion in the minds of a populace bemused to find forty-year-olds and younger suddenly catapulted into power, especially since the Communist Party had long promoted the idea that ability in leadership is associated with experience and years of service to the revolution. Tie Ying accompanied the delegation reforming the leadership in the traditionally troublesome southern districts of Taizhou, Lishui, and Wenzhou. He praised the contributions of the old cadres and, significantly, called for the eradication of factionalism and the development and consolidation of stability and unity.⁴³

Factionalism, and the lack of unity, remain problems in Zhejiang. At a meeting before the Congress, Wang Fang admitted that the ZPC Standing

41. See *ibid.*, June 4, 1983; July 17 and 19, 1983; August 22 and 25, 1983; September 2, 11, and 13, 1983.

42. *Ibid.*, July 19, 1983.

43. *Ibid.*, September 2, 1983.

Committee lacked a collective sense of commonality. *Zhejiang Daily* reported the meeting as recognizing that

whether the leading group can correct its ideological line, unite, bring its style of work up to the mark, and ideologically prepare for party rectification has a direct bearing on the success or failure of the rectification in the party and in its leadership.

The problem of purging rebels, factionalists, and "smash and grabbers" (*sanzhong ren*) of the Cultural Revolution was also discussed. Quite a few of these people were alleged still to be in the Party, still being promoted and used as cadres. Most were young and intelligent, outwardly in agreement with current policies but inwardly opposed to them, and with a change in the political climate, they could cause great disturbances. If not weeded out in the Party rectification, warned the meeting, they would remain like time bombs within the Party. Thus no leniency toward them was permissible.⁴⁴

Wang Fang repeated these warnings at the Congress. His lengthy recitation of defects inside the CCP in Zhejiang reinforces the impression that Party rectification poses enormous problems and possible dangerous repercussions for the present leadership in China:

Among CCP members and party cadres some comrades still have not escaped from the influence of factionalism; some combine factionalism with feudalist patriarchal concepts or "networks" based on common political and economic interests, seriously harming party unity and unification. Some comrades' revolutionary will has waned, bureaucracy is rife among them, they are not interested in the four modernizations, are unconcerned with the masses' hardships, and in their work wrangle with each other and pass the buck, lacking all responsibility. Some people cannot withstand the corrosion and inroads of capitalist ideas, individualism grows perniciously; they exploit their offices, seek personal gain, and even embark on the road of crime. There are also some comrades who lack understanding of the four basic principles and the line established since the 3rd Plenum. Some stand to the "left" and passively resist, others misinterpret from the right and advocate bourgeois liberalization. Apart from these serious impurities in thinking, style of work, and organization, at various levels and on many issues within party organizations there are problems of not being in conformity with the new situation and new tasks. Some grass roots party organizations have even got to the state of paralysis or semi-paralysis.⁴⁵

If this state of affairs is not confined to Zhejiang, party rectification promises to be a bitter, lengthy struggle for all involved.

44. Ibid., November 1, 1983.

45. Ibid., December 3, 1983.

CHINA'S SPECIAL ECONOMIC ZONES

Their Development and Prospects

Clyde D. Stoltenberg

It has been suggested that "probably the most significant factor in the evolution of a foreign trade and investment framework in the People's Republic of China has been the pragmatic flexibility with which the country has approved the challenges inherent in that evolution."¹ This pragmatic approach is perhaps best illustrated by a statement Deng Xiaoping made in the 1960s during the period of readjustment following the Great Leap Forward, when he favored increasing production even at the expense of efforts to socialize the economy: "If we can increase production, it doesn't matter whether operations are run privately—if a cat catches mice, it doesn't matter whether it is white or black."² China's establishment of four special economic zones (SEZs)—Shenzhen, Zhuhai, and Shantou in Guangdong Province, and Xiamen in Fujian—seems a perfect example of such pragmatism in action. This article will describe the purpose of China's SEZs and the framework that has been established for their operation, and then review the SEZs' accomplishments to date. It will conclude with a consideration of problems to be resolved in order for the SEZs to achieve their desired purpose, the ramifications of the SEZs for future development, and their role in a socialist economy.

Clyde D. Stoltenberg is an Assistant Professor of Business Law and an Associate of the Center for East Asian Studies at the University of Kansas, Lawrence, Kansas. The author wishes to thank Carl Riskin for his assistance and comments in connection with the preparation of an earlier version of this article. The author would also like to thank the Columbia University School of International and Public Affairs for the support afforded by a Lydia C. Roberts Fellowship during a portion of the time spent preparing this article.

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1. Joseph E. Pattison, "Special Economic Zones in the People's Republic of China," *China Law Reporter*, 1:3 (Spring 1981), p. 141; see also Sonoko Nishitaten, "China's Special Economic Zones: Experimental Units for Economic Reform," *International and Comparative Law Quarterly*, 32 (January 1983), pp. 175-176.

2. *Renmin Ribao*, November 23, 1967, p. 2.

Concept and Purposes

The idea of special zones for the promotion of foreign commerce did not originate with the Chinese. Rather, it is a centuries-old concept utilized in various forms throughout the major trading nations of the world.³ Indeed, the Chinese carefully researched a number of existing zones in preparation for establishing their own.⁴ In addition, the Chinese had had their own experience with such concepts, not only in the form of the 19th century treaty ports but, more recently, with the special export commodity production bases promoted by Zhou Enlai following the Cultural Revolution and established as policy in 1971 by the Ministry of Foreign Trade.⁵

Given this experience, what did China seek to accomplish with its own SEZs? Xu Dixin described the general nature of the zones as follows: "Special economic zones are set up when a country delimits a special area where, through exemptions of customs duty, it formulates various preferential conditions and provides public facilities so as to attract foreign investors to set up factories whose finished products are mainly for export."⁶ In a broader context, they have been characterized as one element of the "series of new policies and measures . . . taken by the Chinese Government for the realization of the four modernizations."⁷

From the outset, SEZ proponents had to respond to those claiming that the zones represented simply a revival of the former concessions. The basis of the response was that investments of foreign capital would no longer be predicated on a system built on unequal treaties but would instead occur in a context assuring China's state sovereignty. Specifically, SEZ investors would have to observe the Chinese government's decrees

3. See, e.g., Richard Thoman, *Free Ports and Foreign-Trade Zones* (Cambridge, Md.: Cornell Maritime Press, 1965), pp. 11-12.

4. For example, teams were sent to Sri Lanka's Colombo International Airport Zone in 1979 and to the Bataan export processing zone in the Philippines in 1981. James R. Stepanek, "China's SEZs," *The China Business Review*, 9:2 (March-April 1982), p. 38.

5. Pattison, "Special Economic Zones," p. 144. They involved "close coordination of local foreign trade bureaus and offices of the central foreign trade corporations with agricultural and industrial production teams for the purpose of bolstering export of specific commodities." Although they were not established specifically to attract foreign investment, the experience they provided for national and provincial authorities, as well as the Foreign Trade Production Base offices charged on the local level with implementing the export commodity base program, has been regarded as "instrumental" in formalizing the more sophisticated SEZs of Guangdong and Fujian Provinces. *Ibid.*, p. 145.

6. Xu Dixin, "China's Special Economic Zones," *Beijing Review*, 24:50 (December 14, 1981), p. 14.

7. Wang Dacheng, "Special Economic Zones," *Beijing Review*, 24:12 (March 23, 1981), p. 3.

and regulations, pay business and income taxes according to governing law and regulation, and abide by China's labor laws.⁸

It was not denied that the reasonable amount of profit allowed to foreign businessmen making investments or running factories in the SEZs would constitute "a kind of exploitation." However, the response was that "with the socialist economy holding the dominant position, the economy in the special economic zones is only a very minor supplement, and the kind of exploitation involved is nothing to be afraid of."⁹ The generally accepted line under the present power structure, therefore, seems to be that the preferential treatment given foreign businessmen in the SEZs is based on an overall consideration of the economic situation at home and abroad and accords with the interests of China's socialist construction.

Within this theoretical framework, the SEZs were to have several specific functions: (1) to serve as bridges for introducing foreign capital, advanced technology, and equipment, and as classrooms for training personnel capable of mastering advanced technology; (2) to promote competition between regions, between trades, and within a certain trade, all to the larger end of developing the national economy and expediting China's enterprise production and management; (3) to absorb foreign exchange and to filter part of the foreign capital, technology, and equipment through the SEZs to other regions; (4) to serve as experimental units in economic structural reform and as schools for learning the law of value and the regulation of production according to market demands; and (5) to employ many young people waiting for jobs.¹⁰ The extent to which these purposes are being achieved by China's SEZs will be examined later. In order to make such an assessment, however, the structural framework of the SEZs must first be examined.

Framework

The implementation of China's SEZs commenced with the State Council's directive of July 1979 authorizing Guangdong and Fujian provinces to take extraordinary measures to develop tourism, foreign trade, and investment.

8. Xu Dixin, "China's Special Economic Zones," p. 14.

9. Wang Dacheng, "Special Economic Zones," p. 3. Further support was suggested by analogizing the situation to the redemption policy the government had adopted toward the national bourgeoisie in order to win its cooperation shortly after the 1949 revolution, in the sense that employing a "redemption policy" to win the cooperation of foreign and overseas Chinese capital was seen as necessary for the development of the economies of the special zones. Xu Dixin, "China's Special Economic Zones," p. 15. One might query whether the analogy is totally apt.

10. Xu Dixin, "China's Special Economic Zones," pp. 15-16.

Guangdong. Following the State Council's July 1979 directive, Guangdong officials moved rapidly to develop an administrative framework for implementing its SEZs.¹¹ The State Council authorized China Merchants Steam Navigation Co. Ltd. of Hong Kong (CMSN) to invest in and develop the Shekou district within Shenzhen as an industrial zone. In addition, the Shenzhan Capital Construction Committee was formed "to plan infrastructural improvements and 'work out measures to utilize the capital, technology, equipment, and raw materials of Hong Kong.'" The Foreign Trade Base Office in Zhuhai (which had been administering the export commodities production base described above) became the municipal Import Office, empowered to "act as a spokesman and serve as a liaison between foreign companies and domestic enterprises, witness and approve joint ventures and compensation trade agreements, arrange for factory sites, find labor, and report, at regular intervals, to provincial authorities in Guangzhou and central authorities in Beijing."¹²

With this groundwork laid, in August 1979 Shantou municipality was designated a special trade and investment zone, and in September it was announced that Shenzhen and Zhuhai would be similarly designated. In December 1979, draft regulations were passed by the Guangdong Provincial People's Congress governing the operation of enterprises in the SEZs. Although the initial reaction of foreign businessmen to the SEZs was favorable, the lack of explicit rules or other guidelines for investment in the SEZs gave rise to hesitation as foreigners attempted to discern investment policies and practice in the zones.¹³ During 1980, the void was filled to some extent with the release of guidelines for joint ventures in the Shekou Industrial Zone (SKIZ) in January and the passage in August by the National People's Congress Standing Committee of a set of regulations for the Guangdong Province SEZs.

The SKIZ joint venture guidelines¹⁴ included general requirements on equity ratio; organization; contract period; land and land utility; taxes;

11. Indeed, in March they had already restructured the administration of Zhuhai and Baoan counties, transforming them into municipalities under direct provincial control. This reorganization was designed "to eliminate a layer of bureaucratic paper shuffling (i.e., the prefectural governments) while making available larger—and more direct—budgetary allocations for infrastructure development." John Kamm, "Importing Some of Hong Kong ... Exporting Some of China," *The China Business Review*, 7:2 (March–April 1980), p. 28.

12. "Investment in Shekou," *China Trade Report*, 18:2 (February 1980), p. 3.

13. Pattison, "Special Economic Zones," p. 147.

14. The guidelines are summarized in "Investment in Shekou," pp. 3–5, and in "Mixed Feelings on Shekou," *China Trade Report*, 18:3 (March 1980), p. 5. For a more detailed commentary on and analysis of the guidelines, see Timothy A. Gelatt, "China's Special Economic Zones: The Regulatory Framework, Problems and Prospects," *Legal Aspects of Doing Business in China 1983* (New York: Practising Law Institute, 1983), pp. 180–184.

visa applications; staff and workers; salaries, wages, and welfare funds; foreign exchange control, power and water supply; and arbitration. In addition, infrastructure improvements in the areas of shoreline facilities, road construction and water, electricity and microwave availability were undertaken to facilitate the actual commencement of industrial construction. The Guangdong SEZ Regulations consisted of six chapters and 26 articles.¹⁵

Even with the implementation of these two sets of guidelines, however, considerable investor uncertainty remained. Accordingly, in August 1981, the Chinese press service released a 10-point set of policy guidelines (apparently approved by the State Council) setting the stage for new regulations to further detail and expand upon the 1980 Regulations.¹⁶ There followed in November 1981 the promulgation by the Guangdong People's Congress of four new "provisional regulations" to

15. The Xinhua translation of the Regulations on Special Economic Zones in Guangdong Province may be found in "New Regulations for Guangdong SEZs," *The China Business Review*, 7:5 (September–October 1980), pp. 54–56. They may be summarized as follows: Rate of income tax paid by enterprises in these SEZs is to be 15%. Preferential treatment will be given to enterprises established within two years of promulgation of the regulations, enterprises with an investment of at least US \$5 million, and enterprises involving higher technologies or having longer cycle of capital turnover. ¶ Machinery, spare parts, raw materials, transport vehicles, and other items needed by such enterprises in production will be exempted from import duties. Consumer goods needed shall be subject to full or lower import duties, or exempted, depending on merits of each case. ¶ Land in SEZs remains property of China, but "favorable consideration" will be given in matters such as land rent, size of plot, and length of tenure. ¶ After paying income tax, overseas owners of such enterprises and foreign employees may remit their profits or wages and salaries out of China through banks in these zones. ¶ Foreigners will be allowed, for the first time, to set up wholly-owned enterprises in China—but only within the SEZs. The regulations say investors are "encouraged to open factories or set up enterprises and other establishments with their own investment." And investors will have a free hand running the enterprise. Rules specify "investors can operate their enterprises independently in the special zones and employ foreign personnel for technical and administrative work." ¶ Entry and exit procedures will be simplified for foreigners, Chinese residing abroad, and Chinese compatriots from Hong Kong and Macao coming into and leaving the SEZs. ¶ Products are to be sold on the international market. If an enterprise wants to sell its products on the Chinese market, it must receive permission from the appropriate authority and pay customs duties. ¶ A unified authority, Guangdong Provincial Administrative Committee, will be in charge of the SEZs and will exercise power on behalf of the provincial government.

An exhaustive legal analysis of both the SKIZ guidelines and 1980 Guangdong Regulations as well as the points on which they vary is contained in Pattison, "Special Economic Zones," pp. 147–157; see also Nishitaten, "China's Special Economic Zones," pp. 178–180.

16. Timothy A. Gelatt, "Doing Business with China: The Developing Legal Framework," *The China Business Review*, 8:6 (November–December 1981), p. 56. The provisional regulations were passed on November 17, 1981, by the Standing Committee of the Guangdong People's Congress and subsequently authorized by the National People's Congress Standing Committee. Gelatt, p. 165.

further enhance the attractiveness of its SEZs to foreign investors; the new regulations, which became effective on January 1, 1982, covered entry and exit procedures, the labor and wage system, land usage, and business registration.¹⁷

The Shenzhen SEZ promulgated a set of new investment incentives on October 4, 1982, largely in response to a decline in investor interest attributed to Hong Kong's recession; these new incentives lowered taxes, rents, and wages.¹⁸ While the changes may attract greater investment in Shenzhen, they make no progress toward clarifying uncertainties remaining in the existing structural framework; indeed, they may exacerbate already existing distinctions between the Guangdong Regulations generally and provisions applying to specific SEZs within the province.

The physical characteristics and anticipated distribution of development in Guangdong's three SEZs may be summarized as follows:

Shenzhen. Total zone area of 327 sq. km., of which 98 sq. km. were possible sites for construction projects, distributed among industrial development, godowns, residential housing, business and administrative purposes, scientific, sports, and cultural centers, city gardens and parks, and suburban gardens and parks.¹⁹

Zhuhai. Total zone area of 14.1 sq. km., distributed among industrial use (45%), housing and hotel projects (15%), public buildings (10%), scientific, cultural, and sports organizations (5%), and parks and roads (25%).²⁰

17. Michael J. Moser, "Guangdong's SEZs," *The China Business Review*, 9:2 (March–April 1982), p. 40. This article includes both text of all four new provisional regulations and critical commentary (pp. 40–46). Although the new provisional regulations are regarded as marking an important step in lending greater certainty to the 1980 Regulations, they did not extend as many concessions to foreign investors as many observers had hoped; nor did they contain anticipated provisions liberalizing foreign exchange procedures and specifying further types of preferential tax treatment. Although it was anticipated that these latter issues would be dealt with by the issuance of additional regulations during 1982, none have yet been promulgated. Another deficiency of the new provisional regulations was their failure to clarify the relationship between the Guangdong Regulations and the more favorable SKIZ guidelines.

18. "Shenzhen Sweetens the Pot," *The China Business Review*, 9:4 (November–December 1982), p. 4. In addition, a new cadre personnel system was initiated during the summer of 1983. See Guangzhou *Nanfang Ribao*, June 16, 1983; Foreign Broadcast Information Service, *Daily Report, People's Republic of China* (FBIS, DR/PRC), June 21, 1983, pp. P1–P2. Also see Beijing *Zhongguo Xinwen She*, May 13, 1983; FBIS, DR/PRC, May 19, 1983, pp. P2–P3.

19. "Eight Regions for Shenzhen," *China Trade Report*, 18:11 (November 1980), p. 9.

20. "Expansion for Zhuhai," *China Trade Report*, 18:11 (November 1980), p. 8. The 14.1 sq. km. area reflects recent approval of plans to more than double the originally designated 6.81 sq. km. area. *China Trade News*, January 1984, p. 13.

Shantou. Total zone area of 6 sq. km., distributed among industrial use (57%, consisting of light, chemical, electronic, and processing industries), scientific and technical research centers, residential housing, godowns, and piers.²¹

In addition to these SEZs, Hainan Island has been turned into an SEZ.²² Implementation of this process can be traced back to July 1979, when the State Council granted the island expanded authority over investment policy. In early 1981, a Guangdong party official announced that industry was to be developed on the island by encouraging foreign investment through the use of special privileges and lower tax rates.²³ Finally, it was announced in late 1981 that Hainan officials could approve joint ventures or foreign investment projects.²⁴ In some respects, Hainan's investment incentives exceed even those of Guangdong's other SEZs.²⁵ The island, roughly the size of Taiwan but with only a third the population, has had the following sectors designated: agriculture, animal husbandry, aquaculture, light industry (especially electronics and rubber), building materials, mining, tourism, and transportation.

In May 1980, the State Council approved establishment of the Huli SEZ within Xiamen Municipality,²⁶ mainly as a site for export processing.²⁷ Although final regulations have yet to be published, the general contours of investment policy are known. The tentative guidelines are similar to those in Guangdong Province.²⁸ It was suggested at one point

21. "Ground Levelling in Shantou," *China Trade Report*, 18:11 (November 1980), p. 9.

22. Christopher M. Clarke, "Hainan," *The China Business Review*, 10:1 (January–February 1983), p. 44.

23. "Hainan Special Zone Plan," *China Trade Report* 19:4 (April 1981), p. 1.

24. Clarke, "Hainan," p. 44.

25. Ibid. The article spells out in some detail the content of Hainan's incentive provisions. For the text of the expanded State Council regulations on Hainan development, see Haikou Hainan Island Service in Mandarin, May 21, 1983; FBIS, *DR/PRC*, May 26, 1983, pp. P1–P2. The investment incentives are attractive: the Chinese partner in joint ventures is to claim a smaller proportion of the total profits than in other SEZ joint ventures, and charges for the use of land for the new enterprises are to be less and workers paid lower wages. "Foreign Investment in South China," *Beijing Review*, 25:2 (January 11, 1982), p. 7.

26. Edith Terry, "Fujian's Special Economic Zones," *The China Business Review*, 7:5 (September–October 1980), p. 20.

27. "Xiamen," *The China Business Review*, 10:1 (January–February 1983), p. 34.

28. The tentative guidelines have been summarized as follows: The special zone administration committee has been empowered to handle all business in the zone, including liaison and negotiation with foreign investors. ¶ Foreign investors are allowed to hold 100% of their establishments in the SEZ. Income tax for plants within or outside the zone is 15%. Tax can be reduced or even waived for 3–5 years according to special needs, if the investor finds difficulties at first. Import tax on equipment, raw materials, and tools needed for plants will be waived. Profits can be remitted abroad through banks to be established in the zone, provided taxes and workers' wages have been paid. ¶ Sufficient land is guaran-

that the Fujian zone would likely offer lower wage rates than the Shenzhen SEZ.²⁹ However, as has already been noted, the October 1982 Shenzhen incentives included lower wages among their provisions, so it may not be realistic to anticipate a wage spread of much significance. Development of the Langqi and Xinglin SEZs has been postponed.³⁰

Development to Date

In discussing the creation of China's SEZs, one commentator has noted that "both provincial and national trade authorities are well aware that the zones not only represent a Chinese economic experiment but an experiment for foreign investors as well."³¹ The projections for the SEZ program to the year 2000 seem to indicate that, whether the Chinese regard them as experimental or not, significant accomplishments are expected from the SEZs (see Table 1).

Given these 20-year projections, what has actual experience been at this relatively preliminary stage of SEZ development? The role of the zones in attracting direct foreign investment in China has been significant. As the figures in Table 2 demonstrate, about half of all direct foreign investment in China has been in the SEZs, with the lion's share directed to Shenzhen.³²

Because of Shenzhen's significance to the overall SEZ scheme, any examination of individual zones should begin with it.³³ Contracts and

teed. Land tenure is about 20 years, with options for extension and transfer. An average fee of Rmb 1-3 per sq. m. will be charged for use of land. Investors can also rent a factory in the zone or build their own plants. Manpower is also guaranteed. Thousands of youths are presently receiving vocational training in institutes organized by trade unions or the education bureau in Xiamen. ¶ Investors have full power in choosing their own employees, and any Chinese worker found to have breached the employment contract can be dismissed. Average wages for Chinese workers in the SEZ are about Rmb 50-60 per month, slightly higher than workers in state-owned enterprises will receive. "Fujian Told to Step it Up," *China Trade Report*, 19:6 (June 1981), p. 3.

29. "Xiamen Baites the Hook," *China Trade Report*, 19:8 (August 1981), p. 1.

30. Terry, "Fujian's Special Economic Zones," p. 20.

31. Pattison, "Special Economic Zones," p. 163.

32. Whether the SEZs can maintain such an edge is somewhat problematic, however, since by 1981 the central government had extended to all provinces some of the autonomy heretofore enjoyed only by Guangdong and Fujian. James B. Stepanek, "Direct Investment in China," *The China Business Review*, 9:5 (September-October 1982), p. 20. The source of investment is also a matter of some interest. All but 5% of the \$410 million so far committed to projects in the Shenzhen SEZ is from Overseas Chinese, and the Overseas Chinese connection has been described as even more important in the Xiamen SEZ. James B. Stepanek, "China's SEZs," *The China Business Review*, 9:2 (March-April 1982), p. 38. It has been suggested that the belief that China's SEZs are purely a "family affair" has scared off a few companies from investing.

33. Information concerning the types of enterprises developed in Shenzhen, as well as

TABLE 1 SEZ Projections to the Year 2000

	Shenzhen	Zhuhai	Longbu (Shantou)	Huli (Xiamen)	Total
Projected urban population					
1981	30,000	25,000	negligible	negligible	—
1985	250,000	—	—	—	—
1990	400,000	—	28,000	35,000	—
1995	—	87,900	—	—	—
2000	1,000,000	175,000	52,000	65,000	1,292,000
Area designated (in sq. kms.)	327.6	6.8	—	2.5	—
Planned built up area	98	4.37	—	2.5	—
Net industrial area	15	2.27	1.6	2.0	20.87
Basic employment	87,000	25,000	24,000	30,000	166,000
Nonbasic employment	58,000	16,700	5,200	6,500	86,400
Chinese investment (in renminbi)					
In urban facilities	1,670 m	272.5 m	88.4 m	110.5 m	2,141.4 m
In infrastructure construction	2,000 m	400 m	45 m	70 m	2,515 m
Total Chinese construction	3,670 m	672.5 m	133.4 m	180.5 m	4,656.4 m
Overseas investment required (in U.S. dollars)	1,500 m	227 m	280 m	350 m	2,357 m
Targeted number of factories	1,500	227	160	200	2,087
Expected export value (in U.S. dollars)	3,750 m	568 m	400 m	500 m	5,218 m

SOURCE: "How Much to Invest," *China Trade Report*, 20:4 (April 1982), p. 10.

TABLE 2 *Foreign Investment in SEZs*

	<i>Shenzhen</i>	<i>Zhuhai</i>	<i>Shantou</i>	<i>Huli</i> (<i>Xiamen</i>)	<i>Total</i>
Investment (in U.S. dollars)	1,463.5 m	84 m	106.2 m	74.3 m	1,728 m
No. of projects	1010	9	NA	5	1,024
Percentage of total direct investment in China as of December 1981	50.6	2.9	3.7	2.6	59.8

SOURCE: James B. Stepanek, "Direct Investment in China," *The China Business Review*, 9:5 (September-October 1982), p. 21.

agreements concluded by the end of 1981 between the zone and firms from foreign countries, Hong Kong, and Macao encompassed 989 construction projects. Foreign capital investment jumped significantly in 1981, representing 78% of the total foreign investment in the zone since 1978. The nature of the bulk of investors has changed from small and medium-sized firms to consortiums, and their interests have shifted from single projects to multipurpose ones. By the end of 1981, about 300 new factories had been built and put into operation, generating a total output value in 1981 of 190 million yuan. Approximately 40% of the 98 sq. km. allotted to urban development were under construction by the end of 1981. The significance of the SEZ to Shenzhen's development is perhaps best reflected by the fact that the area's annual revenue in 1981 was five times the amount generated in 1978. In 1982, the gross value of industrial output and revenues increased 32% over 1981; during the first four months of 1983, total industrial output value increased by 25% over the corresponding period in 1982. It was reported earlier this year that, altogether, 2,330 agreements had been signed with foreign, Hong Kong, and Macao businessmen involving total investments of \$1.7 billion, and that about 80% of the businesses set up as joint ventures or solely by foreign firms have made profits.³⁴

The Shenzhen SEZ projects now in operation involve a wide range of activities. The projects run jointly with Hong Kong investors include a woolen mill, printing and dyeing mill, and factories making furniture, garments, and printed items, as well as a number of hotels, resorts, restaurants, and stores. Apart from property development, the main foreign investment from other than Hong Kong includes: a machinery plant (Swiss), container plant (Danish), stone quarry (Australian), soft drink plant (U.S.), feedmill (U.S.-Thai), fish farm (Japanese), electronics factory (Japanese), explosive chemicals storage warehouse (U.S.), and pig farm (Philippine). Other projects at various stages of negotiation are the development of an industrial processing area and scientific and cultural facilities, including a university (Hong Kong), more holiday resorts (France, Hong Kong), and a petrol station (U.S.). In 1983, agreements were signed for 696 projects, of which 589 were industrial projects. The six largest are for the production of cement, plastics, and electrical appliances and involve investments of over \$1 billion each.³⁵

A significant proportion of investment in Shenzhen, however, has been directed to property or infrastructure development. Nearly two

the other zones, has been derived from a review of relevant coverage in the past three years' issues of *China Trade Report*, *Beijing Review*, and *The China Business Review*.

34. *China Trade News*, February 1984, p. 15.

35. *Ibid.*

dozen contracts for property development had been signed by foreign or Hong Kong firms by the end of 1981, 9 solely foreign investment projects and 14 joint ventures. The projects called for construction of commercial buildings, hotels, and high-rise residential-commercial complexes. Because Shenzhen sees itself as a rear base for South China Sea oil development,³⁶ it has been pushing for improvement of its roads, railways, ports, and airports. Such development would also aid the zone's preparations to become a future entrepôt serving the internal provinces.³⁷ Authorities have received the central government's permission in principle to proceed with seeking foreign investment to develop Chiwan Bay into a deep water port.³⁸ A Hong Kong company will participate in a joint venture to build a 240-km. motorway network linking Shenzhen, Canton, and Macao. Development of 30 sq. km. of the zone's territory into a new town pursuant to a contract signed in November 1981 will also improve the infrastructure significantly in the form of highway, railway, and bridge construction.

Although the bulk of Guangdong SEZ investment has been directed to Shenzhen, a not insignificant amount of activity has also taken place in Zhuhai and Shantou. Given Zhuhai's concentration on tourism, it is not surprising to see the bulk of its investment directed to the development of transportation links with the outside world.³⁹ Improvement of the Canton to Zhuhai highway, including the construction of four bridges and of a cargo and passenger pier near Paotaishan are the key projects in this regard. Other projects begun include a hotel tourist resort center, and residential housing projects and attendant service and recreational facilities. The zone's central region has been earmarked for industry and

36. The Shenzhen City Petrochemical Industry Co. has been established as a unit of zone government, with authority to sign contracts with foreign concerns, amass foreign funds, and import technology for the petrochemical industry; it will also be involved in the construction of an oil refinery, a petrochemical plant, oil storage, and an oil wharf.

37. In addition to encouraging foreign investment, Shenzhen has quite a number of jointly run enterprises and undertakings with other parts of the country. By the end of March 1983, fourteen central ministries, 20 provinces, municipalities, and autonomous regions, and more than 80 prefectures, cities, and counties had signed contracts with the zone to generate factories and shops. Beijing *Zhongguo Xinwen She*, May 13, 1983; FBIS, *DR/PRC*, May 23, 1983, pp. P2-P3. City authorities were drawing up further measures during the summer of 1983 to encourage still more interregional cooperation. Beijing *Xinhua*, June 16, 1983; FBIS, *DR/PRC*, June 21, 1983, p. P3. It was reported in late 1983 that contracts had been signed for setting up nearly 500 such factories and shops, at a total investment of 700 million yuan. *China Trade News*, December 1983, p. 3.

38. The Chiwan oil base has been slated to serve exploration activities in the Pearl River basin, the area believed to have the greatest commercial potential.

39. Such development also appears consistent with managing officials' expressed hopes that the zone be used as a support base for oil exploration work in the South China Sea. *China Trade News*, January 1984, p. 13.

the western region for tourism, housing, ship repair, and processing of marine products. Initial emphasis in the Shantou SEZ is on an industrial district for light, chemical, electronic, and processing industries.

Foreign capital and technology are to be used in Hainan Island primarily to expand cultivation of tropical and subtropical plants, tropical forestry and timber industry, animal husbandry, breeding of fish, seaweed, and other aquatic products, communications, and energy services. Considerable attention has also been given to infrastructure development, with the beginning of construction of the Lingtou-Basuo railway, the expansion of Haikou and Basuo harbors, and construction of postal and telecommunications projects. Contracted projects so far include a prawn hatchery (U.S.) and coastal fishing (Thailand, Hong Kong); in various stages of negotiation are a dairy farm (U.S.), fruit plantation (U.S.), titanium mine (U.S.), palm plantation (Singapore), rubber manufacturing (Malaysia), and various communications and mineral exploitation projects (Australia).

Development of Xiamen to this point has been consistent with its destined export processing role. Two new berths accommodating 10,000- and 50,000-ton vessels have been completed at Dongdu; also scheduled to have been completed by the end of 1982 were a 19-km. feeder railway, a 7-km. road, water supply facilities, loading and unloading equipment, as well as goods yard and seamen's club ancillary projects. Approximately 100 cooperative ventures were set up by the end of 1981, mainly involving exportation, tourism, housing, and factory renovation. Because of insufficient supplies of water and electricity, early preference was given to industries consuming relatively less water and power—such as light, electronics, textiles, meters, precision instruments, handicrafts, chemicals, and processing. Investments in tourism and in the housing industry are also suitable, but heavy industries consuming large amounts of water and power will not be permitted.

Beyond consideration of zone-by-zone activities, one should also be aware of how China's SEZs compare generally with other such zones throughout the world. A knowledgeable commentator has concluded that China's zones compare very favorably in many respects.⁴⁰ In a

40. Land rentals, in particular, appear to be lower than in such zones as those in Jamaica, Barbados, Columbia, and the Dominican Republic. Shekou's 10% corporate profit tax is especially attractive; while its tax holiday of 3 to 5 years is not as attractive as Sri Lanka's (10 years), Malaysia's (4–7 years), or Singapore's (5–15 years), its tax rate is clearly the lowest. Imports of machinery and raw materials are tax exempt, and special low duty rates are considered on taxable items. As in Mexico's Border Zone Program, investors are not required to locate in designated estates. The fact that China's SEZ supervision has been left mainly to provisional bodies distinguishes it from those of Mexico, Sri Lanka, Barbados, Taiwan, Mauritius, South Korea, Ireland, and the Philippines, all of which have strong

number of other ways, however, the comparison is not so favorable;⁴¹ these factors, as well as other problems from the potential investor's point of view, mitigate the many favorable points of China's SEZs discussed above.

Problems to be Resolved from the Investor's Point of View

One commentator at an early stage suggested that "the decentralization drive that gave rise to the provincial SEZ concept could . . . become self-defeating by discouraging investors who, above all, seek certainty and security for their investments."⁴² Beyond any uncertainties peculiar to SEZs, a number of difficulties were also encountered early on in connection with the establishment of joint ventures generally.⁴³

Early experiences did indeed reveal that, despite Beijing's determination to make SEZs work, a number of serious obstacles inhibited development. The problems receiving the most attention were the quality of the available labor force, which tended to be unskilled and unaccustomed to factory work; poor infrastructure conditions in the areas of power, transportation, and communication; and the murkiness of the regulatory structure.⁴⁴ Since the number of bureaucratic hurdles an investor had to

central authorities to oversee zone activities. Stepanek, "China's SEZs," pp. 38, 39; "Mixed Feelings on Shekou," p. 5.

41. Plant per worker investment seems higher for many projects than the World Bank's estimate of the norm in most export processing zones. High wage policy (relative, at least, to other areas in China) and raw materials costs are also drawbacks. In addition, the SEZs' emphasis on infrastructure investment has been characterized as more of a response to Beijing's budget cuts than as a positive drawing card. Stepanek, "China's SEZs," p. 39.

42. Pattison, "Special Economic Zones," pp. 165-166. Specific concerns expressed were "the precise role and interrelationship among pertinent government entities," and especially "the exact scope and extent of SEZ autonomy vis-a-vis Beijing." It was suggested that, as a result, "the investor can do little to protect himself in this regard, beyond having frank discussions with SEZ officials, the soliciting of strong assurances against non-interference, and possibly negotiating contractual protections in case central authorities damage enterprise operations."

43. (1) Chinese enterprises seemed to pay insufficient attention to consumer satisfaction; (2) factories selected by Beijing ministries for joint ventures often lacked infrastructure; (3) Chinese factories sometimes tolerated hazardous levels of pollution; (4) managers of Chinese enterprises had little authority; (5) Chinese factories were burdened with extraneous responsibilities; (6) all major management decisions had to be cleared with a factory's communist party committee and by the local industrial bureau responsible for drawing up and supervising the factory's annual plan; and (7) the management ground rules under which Chinese enterprises operated were in a state of controversy and flux. James B. Stepanek, "Joint Ventures: Why U.S. Firms Are Cautious," *The China Business Review*, 7:4 (July-August 1980), pp. 32-33.

44. See Anita Li, "Foreign Investors are Encouraged Despite the Labor Problems," *The China Business Review*, 8:5 (September-October 1981), p. 44.

clear increased with the size of investment and level of technology required for a project, relatively small ventures were emphasized.⁴⁵ The early problems, therefore, may be characterized as resulting from both physical and labor force conditions on the one hand and administrative deficiencies on the other. Significantly, however, early concerns over SEZ autonomy vis-à-vis Beijing have not come to fruition; rather, the pressure from the central government has focused on quickening the pace of SEZ development,⁴⁶ thereby leading to *increased* flexibility in the interpretation of investment regulations.

In an effort to improve upon the early investment environment, officials have already developed the new regulations discussed above. It will be recalled that these new regulations were designed to remove uncertainty and to promulgate additional new affirmative investment incentives. An American lawyer who has had significant experience working within the SEZ framework, however, has pointed out literally dozens of respects in which even the additional regulations fall short of the desired goal of creating an investment atmosphere of clarity and certainty. Beyond the problems inherent in the new regulations themselves is the fact that much of China's relevant legislation "exists only in 'internal' compendia or, at best, publicly available volumes in Chinese. The result of this phenomenon is that, "to a large extent, foreign investors in the SEZs . . . are dependent on their Chinese partners to ensure that the relevant rules are followed, though they are no less responsible if they are not."⁴⁷

Efforts continue, however, to overcome past problems and improve SEZ investment attractiveness. In early 1982, a "buffer" company was created to build an industrial estate at the edge of the Shenzhen SEZ and then sell packages of space and services to industrialists; all dealings with the Chinese would be handled by the "buffer" company, but the foreign investor would have all the advantages and preferences of operating in an SEZ.⁴⁸ In addition, more new laws and regulations are on the way that would, among other things, facilitate the opening of branch offices of foreign banks, protect foreign patent rights, provide preferential treatment for buyers of housing in Shenzhen, and facilitate participation by

45. "Big Brother is Watching," *China Trade Report*, 19:7 (July 1981), p. 4; Stepanek, "Joint Venture," p. 33.

46. See "Fujian Told to Step it Up," p. 3; "Big Brother is Watching," p. 4.

47. Gelatt, "China's Special Economic Zones," pp. 165-171.

48. The "buffer" company is a Hong Kong-incorporated, but 60% Chinese-owned, firm; contracts between it and its clients would be drawn up in accordance with Hong Kong law, and Hong Kong accounting practices would be followed. "A New Door to Shenzhen," *China Trade Report*, 20:2 (February 1982), pp. 8, 9.

lawyers, accountants, and specialists in the signing of economic contracts with foreign countries.⁴⁹

Another recent development in the Shenzhen SEZ has been the creation of an economic society to study economic problems arising in the zone and new economic developments at home and abroad; the society hopes to help development of the zone and bring about cooperation between the zone's economic management departments and enterprises and research institutes.⁵⁰

Even if all of the additional regulations being formulated were promulgated and ambiguities in existing regulations resolved, however, at least two other significant factors have been cited as dampening the edge the SEZs might otherwise have over other areas of China for attracting foreign investment:

One consists in the hidden costs that many investors find themselves faced with in the SEZs—unskilled labor just transferred from the farm, requiring more training time and causing delays in production, inadequate infrastructure causing start-up delays, and so forth—that exist to a lesser extent in some other more developed parts of China. The other results from the willingness of authorities in some other parts of China to grant through negotiations many of the same benefits on labor, customs and other areas available in the SEZs.⁵¹

It has already been noted how significant the Hong Kong/overseas Chinese element has been in SEZ investment. While these people go into the zones with a profit motive, they also have "a strong sense of patriotism and desire to help places that as often as not are their ancestral homes [and] emotional motivations that tend to make them less concerned than they might otherwise be about the legal terms of their

49. An entire set of SEZ tax laws removing any need for reference to the national tax system is apparently being formulated. Gelatt, "China's Special Economic Zones," p. 159. The following new Shenzhen SEZ laws and regulations are expected to be issued soon: law on economic cooperation with foreign countries; provisional regulations concerning the management of foreign commodities and real estate, importing foreign techniques, and management of foreign banks; and regulations governing the work of the Shenzhen branch of the Foreign Economic and Trade Arbitration Commission of the China Council for the Promotion of International Trade. *Xinhua*, February 23, 1983; FBIS, *DR/PRC*, February 25, 1983, p. P5.

50. *Xinhua*, May 30, 1982; FBIS, *DR/PRC*, June 1, 1982, p. P2.

51. Gelatt, "China's Special Economic Zones," p. 188. The latter observation seems to be receiving the additional force of structure, beyond mere practice, as a result of the creation of economic zones in the Changjiang and Pearl River deltas. Beijing *Xinhua*, June 16, 1983; FBIS, *DR/PRC*, June 17, 1983, p. K5; Beijing *Zhongguo Xinwen She*, July 14, 1983; FBIS, *DR/PRC*, July 22, 1983, pp. P1-P2, as well as in Shanghai. *China Trade News*, June 1983, p. 14; see Carolyn Brehm, "Shanghai Unleashed," *The China Business Review*, 10:5, September-October 1983, pp. 12-15.

investments." For potential American, European, and Japanese investors, however, "the precise nature of the regulatory framework and legal and financial protections and advantages the SEZs have to offer will be of crucial and, indeed, determining importance."⁵² While progress has been made in improving the environment for such investors, the above analysis clearly reveals that much remains to be done.

Conclusion

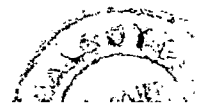
The SEZs have begun to bear fruit for China. Indeed, they represent the focus of a substantial share of all foreign investment to date. While the source of the vast bulk of such investment has been Hong Kong and overseas Chinese, there are indications that the base is broadening. Although gaps remain in the framework of administration and significant uncertainties continue to confront potential investors, the flexibility shown by the Chinese in responding to problems as they arise must be encouraging from the investor's point of view. Such a response is not surprising in view of the support the central leadership has voiced for continued SEZ development.⁵³ Because joint ventures have been encouraged as the principal form for absorbing foreign funds in the SEZs,⁵⁴ recent favorable developments in the implementation of joint ventures may also extend to the SEZs generally.⁵⁵ With one exception, the SEZs

52. Gelatt, "China's Special Economic Zones," p. 157.

53. Remarks of Hu Yaobang, in Fuzhou Fujian Provincial Service, November 16, 1982; FBIS, *DR/PRC*, November 18, 1982, p. K3; Guangzhou Guangdong Provincial Service, February 24, 1983; FBIS, *DR/PRC*, February 28, 1983, p. K7. Remarks of Gu Mu, in *Xinhua*, April 4, 1982; FBIS, *DR/PRC*, April 5, 1982, pp. P4-P5. Indeed, the establishment of eight "priority investment zones" in early 1983 may be seen as an expansion into other geographic areas of some of the concepts first tested in the SEZs. See Carolyn Brehm, "Flex Trade," *The China Business Review*, 10:5 (September-October 1983), pp. 16-20. Such developments have led one knowledgeable commentator to characterize China as "one big export processing zone." *The China Business Review*, 10:6 (November-December 1983), p. 4.

54. Zeng Muye and Li Kehua, "The Status and Role of Sino-Foreign Joint Ventures in the Economy of the Special Zones," *Guangzhou Nanfang Ribao*, June 24, 1982; FBIS, *DR/PRC*, June 24, 1982, p. P1.

55. New joint ventures set up to operate at least 10 years will have five years instead of the current three for exemption or reduction of income taxes beginning from the first profit-making year. *Wall Street Journal*, September 1, 1983, p. 4. The viability, generally, of the joint venture form seems to have been confirmed by the announcement in May 1983 of the largest industrial joint venture in China, between Beijing Automotive Works and American Motors Corporation. See *China Trade News*, June 1983, pp. 1, 8. Additional flexibility seems evident in China's agreement for a solely owned venture by 3M. See *Wall Street Journal*, November 16, 1983, p. 15; *China Trade News*, December 1983, pp. 1-2. On the other hand, oil-service firms operating in the SEZs will not be eligible for some concessionary investment terms that had been anticipated. *Wall Street Journal*, June 1, 1983, p. 33.



appear to have begun performing the functions set out for them to the extent possible at this early stage. Foreign capital, technology, and equipment have been introduced, and training of personnel has occurred. Competition has been promoted. The SEZs provide environments for testing structural reform and learning about the law of value and market forces, and have also provided employment opportunities. The degree to which the zones will serve to filter foreign capital, technology, and equipment to other regions, however, remains to be seen.

One can certainly not dispute the fact that China's political culture has been characterized by frequent upheavals and shifts in policy.⁵⁶ However, if a situation of relative political stability were to prevail long enough for the SEZs, as well as the other economic management system reforms, to have an opportunity to achieve the desired results, and such results were in fact achieved, they could themselves serve as a source of stability on which to base further continued development. At this point, however, all that can be said with certainty is that a beginning has been made.

56. The two most recent campaigns having a direct relationship to economic development have been the party's membership purge (see *New York Times*, October 13, 1983, p. 3; *Wall Street Journal*, December 19, 1983, p. 22), and the campaign on "spiritual pollution" (see *New York Times*, November 4, 1983, p. 2; *Wall Street Journal*, November 14, 1983, pp. 1, 21). Hu Yaobang characterized both campaigns as being aimed at speeding economic development. *Wall Street Journal*, November 22, 1983, p. 36. The formal campaign against "spiritual pollution" has since been effectively canceled. *New York Times*, January 24, 1984, pp. A1, A4.

ELECTIONS IN JAKARTA

Robert Cribb

Indonesian elections are not generally expected to produce surprises. Not even in the relatively free poll of 1955 could elections be said to have contributed significantly to changing a government in Indonesia. All elections in the country's history, from the first limited franchise elections held by the Netherlands Indies government just after the turn of the century to the "festival of democracy" (*pesta demokrasi*) of May 4, 1982, in which over 75 million people voted, have been intended to serve an established regime. The purpose of elections has been twofold: to confer legitimacy on the regime; and to give the opportunity, through elected representatives, for public opinion to influence, take part in, and improve the performance of government without ever taking charge of it. Indonesian governments have not generally felt themselves threatened by the elections they have held.

When it comes to interpreting individual election results produced under these circumstances, it can be difficult to avoid the feeling that analysis is pointless. In the heat of the moment, a few percentage points difference in the performance of Golkar, the government electoral organization, may seem to reduce or enhance the government's legitimacy or the opposition's claim to influence. But in the cold light of day, with Golkar winning a steady sixty-odd percent of the national vote, it is clear that little is changed by mere percentage points.

Precisely because election results seemed so very predictable, it was a major event in the 1977 elections when Golkar lost the election in the capital territory (*Daerah Khusus Ibukota*) of Jakarta to the opposition Muslim PPP (*Partai Persatuan Pembangunan*, Unity Development Party). This defeat in the second general election held under President Suharto's New Order seemed to reflect a souring of the promise of the government that had replaced President Sukarno in 1966. In the years between the

Robert Cribb is Lecturer in Indonesian Politics and History in the School of Modern Asian Studies, Griffith University, Brisbane, Australia.

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first and second New Order elections (1971-1977), the government had undergone a series of crises, ranging from the collapse of the state oil company Pertamina in 1975 to violent anti-Japanese (and implicitly antiregime) demonstrations in Jakarta (the so-called Malari Affair) in 1974 and a moral challenge to government legitimacy by the Javanese mystic Sawito Kartowibowo in 1976. The government's reputation as a popular and effective national manager had begun to tarnish, and some former members of the so-called New Order coalition of students, Muslims, and technocrats began to pull away.

The government won the 1977 elections overall with a comfortable 62.1% of the votes. Only in Jakarta and the staunchly Muslim province of Aceh did the PPP defeat Golkar. The capital territory, moreover, returned only 12 of the 360 elected members of parliament, of which the PPP and Golkar each won 5, the remaining 2 going to the much smaller PDI (*Partai Demokrasi Indonesia*, Indonesian Democratic Party). The voting in Jakarta, thus, has little bearing on the overall result. The significance of the Jakarta result stemmed from interpretations of the position and role of the capital in Indonesian politics. Campaigning and polling in Jakarta were probably more than in other areas. Throughout the country, considerable influence and pressure was brought to bear on voters during the campaign, both by the army and by Korpri, the government civil service organization, which is affiliated with Golkar. The army and Korpri each have permanent hierarchies extending down to the village level, whereas the parties and Golkar are not allowed branches below *kabupaten* (regency) level. Both, therefore, are well placed to influence voters in subtle and not-so-subtle ways. The difference in Jakarta is probably not so much the absence of subtle and unsubtle influence by Golkar supporters—the moderating influence of Jakarta's thickly sprinkled expatriate community is probably overestimated in this respect—as it is the greater awareness of inhabitants of the capital city and the greater effectiveness of opposition campaigns, thanks to the population density of Jakarta.

Golkar's defeat in Jakarta, however, raised questions about the security of the Suharto government. Losing in Jakarta clearly did not mean that Golkar might soon be defeated nationally, and it is difficult to argue that the strength of the opposition there reflects the depth of suppressed opposition elsewhere, though perhaps it is an indication of the depth of potential opposition that could be developed if restrictions imposed on opposition activities by the Suharto government were lifted. But the result definitely raised the specter of persistent mass urban opposition to the Suharto government. In the 1960s rural revolution seemed to many to present Southeast Asian governments with their greatest long-term security threat. Since that time, however, opposition politics in the capital

city have played an increasingly important role in the fate of governments in the region. The 1969 race riots in Kuala Lumpur triggered major political changes in Malaysia, while it was mass rallies in Bangkok in 1973 that helped topple the military government there. In 1978 it was Manila that turned against the Marcos government in the election campaign for an Interim National Assembly in the Philippines. Even in relatively tranquil Singapore, the first opposition member to sit in parliament since 1966 was elected in 1981 to represent an inner urban area seat.

As the 1982 elections approached, the Suharto government seemed hardly more popular than in 1977. The regime appeared listless and heavy-handed, showing few signs of the "renewal" that had been promised. The government had seemed to panic in 1978 with a massive devaluation of the rupiah. Stories of corruption and moral decay in ruling circles were widespread. The government, moreover, had faced a serious moral challenge in the so-called Petition of Fifty, signed in May 1980 by fifty prominent individuals with a wide variety of backgrounds, most of whom had been strong supporters of the New Order when it was first installed. This petition called on parliament to "review" speeches by Suharto in which he described Marxism, socialism, nationalism, and religion, among others, as "value systems of the past." Suharto had urged the army to rally to the defense of the state ideology, Pancasila (which in fact includes both nationalism and religion), and by implication his government. The petitioners did not expect their call to be taken up, but they were effective in creating embarrassment and a sense of crisis in government circles.¹

The results of the elections held on May 4, 1982, however, showed that Golkar had not only improved its performance overall, but had won back Jakarta from the PPP. Given the significance attached to the 1977 election result in Jakarta, it is worth examining just what happened. Why did the swing to the government take place? And just what is the significance of electoral swings in Jakarta, whether toward or against the government?

One of the key factors in the Golkar victory was undoubtedly the appointment of the Minister of Information, Ali Murtopo, to head the Golkar electoral campaign. Murtopo, once one of Suharto's closest advisors, had earlier been in charge of the OPSUS (Special Operations) unit, which helped organize such events as the so-called Act of Free Choice in which Irian Jaya (West New Guinea) opted to join Indonesia in 1968.² One of the sharpest minds in the Suharto government, Murtopo

1. See Ulf Sundhaussen, "Regime Crisis in Indonesia: Facts, Fiction, Predictions," *Asian Survey*, 21:8 (August 1981), pp. 817-819.

2. See Hamish McDonald, *Suharto's Indonesia* (Blackburn, Australia: Collins, 1980), p. 66.

TABLE 1 *Percentages Obtained in 1977 and 198 Elections*

	PPP		Golkar		PDI	
	1977	1982	1977	1982	1977	1982
Indonesia	29.29	27.78	62.11	64.33	8.60	7.87
Jakarta	43.46	39.20	39.27	44.99	17.26	15.81

SOURCE: "Daftar pembagian kursi hasil pemilihan umum anggota DPR tahun 1971, 1977 dan 1982," Lembaga Pemilihan Umum, 1982; and *Kompas* (Jakarta), June 15, 1982.

brought a formidable organizational expertise to the campaign. He also enjoyed the advantage of being a member of the electoral commission that organized the poll, and it was rumored at the time—incorrectly as it turned out—that Suharto had promised him the vice-presidency if he recovered Jakarta for Golkar.

As far as can be made out, there were at least two important elements in Ali Murtopo's campaign. The first was a tightening of the Golkar electoral organization. In the 1977 poll, disappointing Golkar performances often coincided with disunity in the *Satuan Karya*, Golkar's campaign units at the local level, where, for example, the head of the local neighborhood association (RW) was replaced by a more prominent individual who happened to be locally resident.³ In 1977, moreover, the governor of Jakarta, Ali Sadikin, had reportedly declined to use his position to favor Golkar and had kept the regional government and its officials somewhat removed from the campaign. In 1982, by contrast, the *Satuan Karya* organization was considerably tightened and, with the more pliable Tjok-ropranolo as governor, the Jakarta administration associated itself closely with Golkar. Voting for the opposition, therefore, did not simply represent disenchantment with Golkar but was given a tinge of disloyalty to the state.

The second element in Ali Murtopo's campaign was a successful attempt to win "new" votes, that is, voters who had not before cast votes in a national election. In the otherwise high voting turnout of 1955, Jakarta was conspicuous for its low turnout—80.6%, the second lowest in the country and well below the national average of 87.6%. In 1971 the turnout in Jakarta rose to nearly 88%, but was by far the lowest in the country (national average 94%). The region remained below the national

3. See Arief Kushara, "Golkar dan Pemilihan Umum 1977 (study kasus: di kelurahan Manggarai, Kecamatan Tebet, Jakarta Selatan)," (skripsi [master's thesis], Faculty of Social Science, University of Indonesia, 1979).

average in 1977 with 88.5%, but in 1982 it exceeded the national average for the first time, reaching 91.7% (national average 90.8%).⁴

This shift is all the more important in view of the unofficial so-called Golput (*Golongan Putih*, White Group) campaign, which urged voters to cast blank ballots as a sign of dissatisfaction with the regulations and restrictions surrounding the elections. Golput was never likely to win more than a small following, and of course it is impossible to judge how many of the votes recorded as invalid were in fact deliberately cast as blank by Golput supporters and how many of those who did not vote did so for political reasons, but both the percentage and the absolute number of invalid and non-votes declined. This is particularly remarkable when one considers that the size of the electorate had greatly increased by the enfranchisement of the 18 to 20 year old group. As a result of this influx of new voters, all the contestants in Jakarta (except Golput) recorded significant increases in absolute numbers of votes. Thanks, however, to the efforts of Ali Murtopo, it was Golkar that won the lion's share of these new electors.⁵

Aside from Golkar's targeting of specific problems, the public election campaign also contributed to the Golkar victory. Although there are numerous restrictions on many aspects of a campaign, from the selection of candidates to the choice of slogans, an election campaign in Jakarta can still be a lively and unpredictable affair. Campaigning began officially on March 15 and continued for six weeks until April 28 with a "quiet period" of seven days before the actual polling. Contestants were permitted to hold mass rallies and were given time on television and radio to put forth their points of view. They also plastered Jakarta with millions of campaign posters and distributed T-shirts to supporters bearing one of the approved campaign slogans, together with the appropriate party symbol. Golkar's symbol features a waringin (banyan) tree, the PPP's the Ka'bah (a principal object of Muslim pilgrimage to Mecca), and the PDI's a banteng (wild bull).

The scope of the campaign was limited by the fact that contestants were not permitted to question the broad outlines of state policy, but could only discuss its implementation. The opposition parties, therefore, had to center their campaigns on style rather than on substance, while Golkar could expect that the substance of its achievements would speak for itself.

4. Masashi Nishihara, *Golkar and the Indonesian Elections of 1971* (Ithaca, N.Y.: Cornell University Modern Indonesian Project, 1972), p. 60; and *Kompas*, June 15, 1982.

5. Allegations have also been made of malpractice by the electoral commission, principally concerning failure to send voting invitations to known PPP supporters. Although this may well have occurred, it appears unlikely to have been a major element in the Golkar victory.

Golkar sought to portray itself as the safe candidate, promising in particular continued economic development. Golkar posters bore such slogans as "A Golkar victory means a continuation of development," "With Golkar, education will improve," and simply "Golkar brings prosperity."

Against this, the PPP campaign stressed the party's Muslim character. PPP posters read "Islam is my religion, the Ka'bah is my vote." And it was religion that formed the basis of the party's appeal in its rallies, though the presence of Rhoma Irama, the "King of Dangdut" (a style of popular music in Jakarta) at rallies no doubt helped to draw attention. Rhoma Irama also contributed to the campaign with a hit song called "Indonesia" featuring lyrics sharply critical of corruption and inequalities in the distribution of wealth, and a refrain that ran: "The rich are getting richer, the poor are getting poorer."

Golkar's sense of vulnerability to the Muslim appeal was shown in its repeated claims that Golkar was a party for all, including Muslims. There were posters that read simply "Golkar: fortress of Pancasila," referring to the five principles of the state, the first of which, *Ketuhanan* (Belief in God) is generally taken as a statement of religious belief and tolerance. But alongside these were others in Jakarta slang putting the point more explicitly: "Don't get it wrong—the majority of Muslims are in Golkar." The government organization also sought to make unofficial capital out of the fact that voting procedure involved punching a hole in the chosen party's electoral symbol on the ballot paper, with the suggestion, spread by word of mouth, the punching a hole in the Ka'bah was an impious act.

While Golkar sought to push into the PPP's home ground, the PPP attempted to draw support from the government's principal voting base, the civil service. Since the 1977 elections, the government has enforced the principle of "monoloyalty," under which civil servants are obliged through membership in the civil service corps, *Korpri*, to join the campaign on behalf of Golkar. Although voting itself is secret, the government's expectation that civil servants will also vote for Golkar in the election is enforced by the fact that votes of government officials are cast and counted in their offices.⁶ The demand for monoloyalty has been made frequently and publicly by the Indonesian government, and in the course of the election campaign it was explicitly repeated. Ali Murtopo described any civil servant who failed to support Golkar as a "traitor." The PPP's counterattack could not take place openly, for monoloyalty was not one of the authorized issues of the campaign. The party nonethe-

6. The conviction, after the election, of a student for writing "Hang Suharto" on his ballot paper (reported in *The Australian*, December 10, 1982) indicates the government's willingness and ability to keep track of individual voting behavior, despite claims by the election's organizers that the poll was "direct, general, free and secret."

TABLE 2 *Election Results by District, Compared with Number of Haji*

<i>Districts</i>	<i>Total number of voters, 1982</i>	<i>PPP</i>	<i>Golkar</i>	<i>PDI</i>	<i>Number of haji per thousand voters, 1973-1976</i>
Central	710,032	37.39%	48.10%	14.51%	6.02
North	470,215	37.48	43.81	18.71	3.77
West	593,958	37.23	48.54	14.23	6.00
East	666,091	40.74	43.88	15.38	8.35
South	717,201	43.98	38.03	17.99	12.38

SOURCE: *Suara Karya* (Jakarta), June 5, 1982; and *Monografi Daerah Khusus Ibukota Jakarta I* (Jakarta: Proyek Pengembangan Media Kebudayaan, Ditjen Kebudayaan, Departemen P & K, 1977?), pp. 79-80.

NOTE: Given the disparity in years, these figures can give no more than a rough indication of the strength of religious adherence in different parts of the city. It is also true that the number of haji may reflect other factors as well as piety, notably wealth.

less put its point of view in unofficial slogans painted on walls around the city: "There is no law that says civil servants must support Golkar," "PPP: the party for civil servants," and "The duty of civil servants is to serve the state, not particular groups. Therefore, vote PPP."

It was, however, the youth groups attached to all three parties that gave the campaign a sense of passion. There is a high, though undetermined, rate of unemployment and underemployment among Jakarta youth, and this provided each of the contestants with a large campaign team eager to try something more exciting than hanging around street corners. It was these youth presumably who painted three slogans on the edge of the road in Jalan Thamrin near the Hotel Indonesia roundabout, one of Jakarta's busiest intersections: "PPP anti corruption," "PPP anti force," "PPP anti terror." They were almost certainly responsible, too, for slogans such as "PPP, my sweet black darling" and "Jakarta boys who aren't mad vote PDI." At the local level, these youth groups played a key role in ensuring that the opposition message was heard, and they provided the driving force for the numerous election rallies.

Election rallies are the most exuberant exception to the otherwise rather restricted electoral atmosphere in Indonesia and recall the political turmoil of the Sukarno years. The contestants not only held numerous small election rallies in most districts, but also staged street parades and mass rallies, notably in Banteng Square in central Jakarta, one of the two or three open spaces in central Jakarta that can accommodate rallies

drawing hundreds of thousands of people. It was there on March 18, three days after a PPP mass rally in the same place, that a Golkar rally erupted into violence in which an indeterminate number of people died, city buses were burned, and nearby shops looted. The violence was eventually pacified by army units. Although the disturbance allegedly began when individuals attending the rally shouted out "Long live the Ka'bah!," the government announced that none of those responsible for the violence were connected with any of the contestants. They were, it was said, simply criminals. The government, however, blacked out much news of the rally and subsequently banned the news magazine *Tempo* for its coverage of the event.

The election rallies served, as they normally do, to strengthen the resolve of the party faithful and to draw the attention of the uncommitted, but the violence associated with the campaign probably worked primarily to the advantage of the government. Golkar, of course, is the party, if not of law and order, at least of security and order, and the liveliness of the election campaign almost certainly rallied Golkar supporters precisely because it recalled the insecurity and disorder of the Sukarno years. The government, moreover, has become adept at crisis management, to the point where crisis management has become an important weapon in its political arsenal. Like the airline pilot in a British comedy sketch long ago who assured his passengers in the middle of a peaceful flight, "There is absolutely no cause for alarm; the left wing is not on fire," the government characteristically makes statements which create an undefined sense of crisis and portray the government as the only force capable of saving the day.

Given that the election was not intended to change the government, its role as a priori proof of Indonesia's democracy was emphasized. The description of the event as a "pesta demokrasi" ("festival of democracy") and the curious phrase "Kita mensukseskan Pemilu 1982" ("We make a success of the 1982 elections") reflected a strong ritual element in the poll. The impression was created that the election was not really a contest but a joint endeavor, an important ceremony that irresponsible elements were trying to disrupt, a time of trial after which everyone could get back to his or her proper work without distraction of politics. To the extent that this impression was successfully put across, the seriousness of the opposition challenge was denied.

Thus, it is possible to identify many of the factors that led to the Golkar victory. The 1982 election result, however, has to be seen in the light of the question of what percentage of the vote was ever in question. In every electorate there are voters who will support their party regardless of its policies or performance. In the 1982 elections, it was clear that the two principal contestants, Golkar and the PPP, depended on two

solid constituencies for the bulk of their votes: the civil service in the case of Golkar, and the more orthodox Islamic sections of the Muslim community in the case of the PPP.

As in many capital cities, there is in Jakarta a polarization of the government and nongovernment sectors of the population. As immigrants or the descendants of immigrants detached from their original societies, those inhabitants of Jakarta who do not work for the government have little of the traditional loyalty to the state that is found in, say, Central Java or among the Malays. Not only is this group not easily manipulated by governments, but it has loyalties of its own, especially to Jakarta's network of mosques, Islamic schools, and other Muslim institutions. The *kyai* and *ulama* (religious teachers and scholars) who run these institutions are well placed to deliver votes to the PPP. In every region where the PPP has performed well, this cadre of religious organization has been crucial. The PPP's constituency supports it largely out of religious rather than directly political conviction. Gauging religious conviction, of course, is difficult, but it is interesting that Southern Jakarta, the sole district in Jakarta where the PPP defeated Golkar, also consistently records each year the highest number of *haji* (pilgrims to Mecca) per thousand population of all districts in Jakarta.

The cadre of religious organization creates a stability and reliability in the PPP vote in Jakarta, and the stability of voting patterns, not only in Jakarta but throughout the country, is in fact more striking than the swings. Golkar has marginally increased its vote at each election since 1971 and the PDI has progressively lost support, but the general pattern suggests that Golkar is close to the limits of the support it can win without radically changing its tactics. Within this pattern there occur slightly sharper shifts from region to region. In 1982, for example, there was a swing of 4.3% to the PDI in West Java and of 4.2% against Golkar in Aceh, both comparable with the swing—4.26% against the PPP, 5.72% to Golkar—in Jakarta. It happens that a swing of these dimensions in Jakarta means the difference between a moral victory—a majority or at least a plurality of votes—and defeat for the PPP and Golkar, hence the enormous energy that went into the election campaign. The evidence is, however, that the contestants were fighting over a narrow range of percentage points that would be less important if they did not lie so close to 50%.

It is unlikely, therefore, that the moral victory of the PPP in 1977 or that of Golkar in 1982 has much bearing on the possibility of extra-constitutional, mass urban opposition to the Suharto government. Such opposition depends on many things—organization, awareness, a sense of momentum, and above all on the sense of being in a vast majority and on scenting fear and defeat on the breath of the opponent. The

Islamic community in Indonesia, as distinct from the more nominal Muslims, is and recognizes itself to be a minority in the country. It recognizes further that any attempt to impose an Islamic state on Indonesia would involve a long political and perhaps even military struggle against Christians and less fundamentalist Muslims. Very small groups of strongly fundamentalist Muslims have carried this conclusion to a logical end, launching an armed struggle against the institutions of the Republic in the name of an Islamic state. Most members of the Islamic community, however, have accepted this struggle as being too costly and too uncertain of success. And they have no special interest in working for any other radical change in the present system with which they have reached a kind of *modus vivendi*—acting as a prickly defender of Islamic interests (in the drafting of the Marriage Bill of 1973, for instance) without seriously trying to expand the frontiers of Islamic influence in national affairs. Victory in Jakarta, or anywhere else it can be had, strengthens the PPP in this role but does not mean that the party is likely to break out of the system.

Conclusion

The PPP victory in 1977 focused attention on electoral politics in the capital, in the search for clues to the direction of events in Indonesia. Attention was drawn in particular to the possibility of extraconstitutional mass opposition to the Suharto government. Golkar's recovery in 1982 suggested in turn that waves of opposition were either abating or being quelled. A closer investigation of the 1982 election suggests rather that Golkar and the government made skillful use of the election campaign to capture a plurality of votes in the city. It indicates, however, that voting patterns in the capital are relatively stable and reflect the existence of large communities with firm allegiances to one side or the other. This in turn suggests that a PPP victory in Jakarta, whether in 1977 or perhaps in the future, does not herald large-scale opposition to the government outside the institutions it has permitted.

TRANSFERS FROM THE CENTER TO THE STATES IN INDIA

P. K. Bhargava

The division of functions and resources between two layers of government, state and central, is an essential feature of federalism. Tax and other financial powers should be divided according to the responsibilities the constitution assigns to the respective governments. In this context, however, considerations of efficiency and economy have to be kept in view to ensure optimal utilization of resources. There is a feeling that economy and efficiency will be greater if the level of government providing these services bears the cost of producing them because a large divergence between the amount a government spends and the amount it raises is likely to result in the inefficient utilization of resources. But the layer of government that is most efficient and competent in raising resources or levying and collecting particular taxes may not be the most efficient agency to spend them. Moreover, if the federating units are left unfettered, independent taxation by them is likely to result in loss of economic efficiency.

The optimal allocation of resources is likely to be further distorted because different tax rates and varying levels of benefits provided by various state governments give rise to undesirable mobility of factors of production in a federation. Income tax, corporation tax, and excise duty are examples of such taxes. If these are levied at different rates by various state governments, it would probably result not only in the misallocation of resources but also in a host of other difficulties. For example, difficulties are likely to arise over whether "origin" or "residence" should be the basis of taxing income, and whether the origin of production or the location of a firm's headquarters should be the basis for excise duty. Even if these problems could be overcome, taxpayers filing returns to various state governments would probably be inconvenienced and the cost of tax compliance would increase considerably. Taxes of this kind can be collected at a much lower cost by the central government.

P. K. Bhargava is Reader in Economics, Banaras Hindu University, Varanasi, India.

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With the growth of big business and its ramifications in different parts of a country, there has been an increasing tendency towards centralization of these taxes. When these major taxes are assigned to the federal government, however, there is usually the problem of "noncorrespondence,"¹ or what is termed a vertical fiscal imbalance in a federation. This demands a massive transfer of resources from the federal government to the federating units, but this should not be interpreted to mean that the state governments are in a subordinate position or that the degree of freedom they enjoy is diminished. The economic advantages of centralization are so overwhelming that the state governments should not begrudge it or think that their fiscal autonomy is being eroded or curtailed. Rather, they must appreciate and understand that if these taxes were entrusted to them, regional inequality would be accentuated because the developed and relatively better-off states would be able to corner a larger proportion of revenue.²

India is a union of 22 states, and nine union territories that are administered by the central government. The division of functions and resources between the central and state governments in India is based on written constitutional provisions and is in accordance with efficiency and scientific considerations. Thus, the central government has been assigned subjects of national interest, 97 items in all. The list includes defense, foreign affairs, communications, currency and coinage, banking and insurance, customs duties, regulation of oil seeds and minerals, the audit of accounts of the central government and the states, interstate and international trade and commerce, navigation, aviation and national highways, posts, telegraphs and telephones, and broadcasting. The state legislatures have exclusive authority to make laws in relation to 66 items, including medicine and public health, roads and bridges, agriculture and irrigation, forest and fisheries, and trade and industry. In addition, there is a concurrent list of 17 items of common interest such as education,³ planning and social security, labor welfare, industrial disputes, electricity, and newspapers for which the Parliament and state legislatures can both make laws.

As a relatively young federation in the world, India benefited from the experience of older federations and avoided conflict and overlapping in

1. See Anthony Scott, "The Economic Goals of Federal Finance," *Public Finance*, XIX:3 (1964), pp. 241-285. He says, "The text-book treatment of federal finance begins rightly, with the problem of noncorrespondence."

2. See National Institute of Public Finance and Policy, *Trends and Issues in Indian Federal Finance* (Mimeo, 1978), p. 8.

3. Education was transferred from the state to the concurrent list by the 42nd amendment to the Constitution in November 1976.

tax matters between the two layers of government.⁴ There is a clear bifurcation of taxes to be levied by the central and state governments. So far as "the division of financial powers between the Centre and the States go, the Indian system has possibly more practical rationalism and logic behind it than the system of any other federation."⁵ There is a comprehensive enumeration of taxes and each is under the jurisdiction of one layer of government or the other. There is no overlapping in tax jurisdiction so there is little scope for exploitation of the same tax base by the central and state governments.

Taxes under the legislative jurisdiction of the government of India can be grouped into four categories: (1) Taxes whose entire proceeds are assigned to the central government; included are corporation taxes, customs duties, taxes on capital other than agricultural land, and surcharges on taxes in categories (2) and (3); (2) Taxes whose proceeds are shared with the states, which include taxes on income (other than agricultural income) and excise duties except those assigned to states; (3) Taxes whose entire proceeds are assigned to the states. These are succession and estate duties on property other than agricultural land, terminal taxes on goods and passengers carried by rail, sea, or air, taxes on railway fares and freight, taxes other than stamp duties on transactions on stock exchanges and public markets, and taxes on the sale and purchase of newspapers and the advertisements therein; (4) Taxes to be collected and retained by the state governments; included are stamp duties mentioned in the central government list, taxes on interstate sales, and excise duties on medical and toilet preparations containing alcohol, opium, or other such drugs.

The jurisdiction of the state governments extends to land revenue, excise duties on alcoholic liquors, opium, hemp, and other narcotic drugs, taxes on agricultural land and income, taxes on lands and buildings, and mineral rights, taxes on sale and registration fees, tolls, and capitation taxes. Taxes on the following are also assigned to the states: consumption and sale of electricity; advertisements other than those published in newspapers; entry of goods into a local area; goods or passengers carried by road or inland waterways, vehicles, animals, or boats; luxuries including entertainment, amusements, betting and gambling; employment, professions, and trades. There is also a provision that if a state or local authority was levying a tax that is now in the central list before the

4. "For the U.S., Shirras calculates overlapping for more than 90% of the combined tax proceeds." See D. T. Lakdawala, *Union-State Finance Relations* (Bombay: Lalwani, 1957), p. 8.

5. O. K. Ghosh, *The Indian Financial System* (Allahabad: Kitab Mahal, 1958), p. 19.

Constitution took effect, it can continue to do so until prohibited by Parliament. The residuary powers of taxation are vested in the central authority.

When the division of functions and resources is based on efficiency and scientific considerations as in the Indian federation, it creates a gap between revenue and the requirements of the states because the states have dynamic and expanding functions but are deprived of productive and elastic sources of revenue. The imbalance is therefore inherent and cannot be corrected without transferring resources to the states from the Center. In India, such transfers are accomplished through two bodies: the Finance Commission and the Planning Commission. While the Finance Commission has a constitutional basis, the Planning Commission was appointed by a resolution of the Indian government in 1950. Although there are vast differences in their functioning, methods, and approach, one fact remains common to both—namely, that they have been instrumental in transferring resources from the Center to the states on a large scale. The Finance Commission makes its recommendations to the President regarding the distribution of taxes, which are to be, or may be divided between the central and the state governments. It also makes its recommendations regarding grants-in-aid of revenues under Article 275 of the Constitution and on any other matter referred to it by the President. Thus, the transfers through the Finance Commission have been effected under the category of tax-sharing and statutory and other grants. Loans and grants for planning projects and for Center-sponsored projects are outside its purview and are channeled to the states through the Planning Commission.

Table 1 shows that the total resources transferred from the Center to the states increased from Rs. 1,431 crores (one crore equals ten million) in the First Plan to Rs. 2,868 crores in the Second Plan to Rs. 5,600 crores in the Third Plan. The total for the Fourth Plan was Rs. 15,101 crores, more than two-and-a-half times the resources transferred during the Third Plan period, and for the Fifth Plan, Rs. 25,282 crores. By 1979–80 (Rs. 8,193 crores) and 1980–81 (Rs. 8,462 crores), the resources transferred in each of these single years exceeded the total transferred during the Third Plan period. It should be pointed out, however, that there is not much variation when these transfers are looked at as a percentage of a state's total expenditures on revenue and capital account. This percentage increased from 42.7 in the First Plan to 52.2 in the Third Plan to 53.9 during the Annual Plans. The percentage then declined to 42.1 during the 1974–79 period but rose to 44.8 in 1979–80 (revised) and declined again to 43.6 in the 1980–81 budget. However, the fact remains that the states' fiscal dependence on the Center has been increasing rapidly.

TABLE 1 Resources Transferred from the Center to the States (crores of rupees)

	Share in Taxes (1)	Grants (2)	Loans (3)	Total Transferred (4)	Total Expenditures of State Governments (5)	(4) as Percentage of (5) (6)
First Plan (1951-56)	344 (24.0)	288 (20.1)	799 (55.9)	1,431 (100.0)	3,352	42.7
Second Plan (1956-61)	668 (23.3)	789 (27.5)	1,411 (49.2)	2,868 (100.0)	5,846	49.1
Third Plan (1961-66)	1,196 (21.4)	1,304 (23.3)	3,100 (55.3)	5,600 (100.0)	10,720	52.2
Annual Plans (1966-69)	1,282 (24.0)	1,389 (26.0)	2,676 (50.0)	5,347 (100.0)	9,912	53.9
Fourth Plan (1969-74)	4,562 (30.2)	3,831 (25.4)	6,708 (44.4)	15,101 (100.0)	28,551	52.9
Fifth Plan (1974-79)*	8,337 (33.0)	8,135 (32.2)	8,810 (34.8)	25,282 (100.0)	60,081	42.1
1979-80 (Revised)	3,346 (40.8)	2,254 (27.5)	2,593 (31.6)	8,193 (100.0)	18,272	44.8
1980-81 (Budget)	3,633 (42.9)	2,277 (26.9)	2,552 (30.2)	8,462 (100.0)	19,409	43.6

NOTE: Figures in parentheses = percentages of total.

*The Fifth Five-Year Plan in fact terminated one year earlier, on March 31, 1978.

Table 1 also shows that loans have constituted a significant part of the total transfers. From the beginning of the First Plan until 1979-80, the share of loans exceeded that of divisible taxes and duties. Only in 1979-80 (revised) did the percentage of divisible taxes and duties (40.8%) exceed loans (31.7%). This is a desirable development in Indian federal finance because the allocation of divisible taxes and duties to the states is based on the recommendations of the Finance Commission. They do not, therefore, compromise the fiscal independence of the states. The increasing proportion of divisible taxes and duties in the total transfers in the future will be welcomed by the states since it will strengthen their autonomy.

As mentioned above, resources are transferred to the states by two bodies, the Finance Commission and the Planning Commission. Table 2 shows that up to the Annual Plans of 1966-69, the Planning Commission distributed greater amounts than the Finance Commission. Table 2 also

TABLE 2 *Resources Transferred to the States (crores of rupees)*

	<i>Resources Transferred Through</i>		<i>Other Transfers</i>	<i>Total</i>
	<i>Finance Commission</i>	<i>Planning Commission</i>		
First Plan (1951-56)	447 (31.2)	880 (61.5)	104 (7.3)	1,431 (100.0)
Second Plan (1956-61)	918 (32.0)	1,344 (46.9)	606 (21.1)	2,868 (100.0)
Third Plan (1961-66)	1,590 (28.4)	2,738 (48.9)	1,272 (22.7)	5,600 (100.0)
Annual Plans (1966-69)	1,782 (33.3)	1,917 (35.9)	1,648 (30.8)	5,347 (100.0)
Fourth Plan (1969-74)	5,421 (35.9)	4,731 (31.3)	4,949 (32.8)	15,101 (100.0)
Fifth Plan (1974-79)*	11,168 (44.2)	10,353 (40.9)	3,761 (14.9)	25,282 (100.0)
1979-80 (Revised)	3,888 (47.5)	3,408 (41.6)	897 (10.9)	8,193 (100.0)
1980-81 (Budget)	4,210 (49.8)	3,432 (40.5)	820 (9.7)	8,462 (100.0)

NOTE: Figures in parentheses = percentages of total.

*The Fifth Five-Year Plan in fact terminated one year earlier, on March 31, 1978.

shows that during the First Plan, the Planning Commission's share of total resources transferred to the states was 61.5% compared to 31.2% for the Finance Commission. The Planning Commission's percentage share declined to 46.9% in the Second Plan but rose again to 48.9% in the Third Plan and stood at 35.9% during the Annual Plans. However, the fact remains that the Planning Commission had an upper hand over the Finance Commission, and it controlled a substantial part of the total resources transferred to the states.

The Planning Commission's overpowering influence in deciding central assistance created a dilemma in Indian federal finance because prior to the Fourth Plan, the assistance from the Planning Commission to the states was not based on any objective criteria. In this context Hanson rightly observes that "the principles on which Central assistance to State Plans is allocated have never been made clear. . . . At present no one knows, and even if the Commission has all this worked out, no one is likely to be told, at least just yet."⁶ Another expert on the subject rightly points out that the Commission

seldom submits detailed reports regarding what should be best done in its opinion. Though it is considered an expert body, in practice it gets entangled with day-to-day work, and conducts negotiations with the Centre and the States regarding the size of their Plans, etc. One knows the results of these, but the components of the logic behind them or the elements of compromise or even political bargaining are difficult to separate. It is, therefore, not easy to resurrect accurately the reasoning that lies behind the Planning Commission's actions . . . and much of what one says is bound to be based on conjectures, impressions and even hearsay.⁷

Thus a substantial part of the resources, at least prior to the Fourth Plan, was doled out to the states in a discretionary manner. In fact, the emergence of the Planning Commission as a significant body for transferring resources from the center to the states undermined the importance of the Finance Commission. Accordingly, the Third Finance Commission suggested that either the Finance Commission's functions be enlarged "to embrace total financial assistance to be afforded to the States" or that the Planning Commission be transformed "into [the] Finance Commission at the appropriate time."⁸ It is a welcome development that since the Fourth Plan the Finance Commission controls a relatively greater part of

6. A. H. Hanson, *The Process of Planning* (London: Oxford University Press, 1966), p. 321.

7. D. T. Lakdawala, *Union-State Financial Relations*, p. 79.

8. *Report of the Finance Commission* (hereafter *Report*), Government of India, 1961, pp. 35-36.

the resources distributed to the states, which at present is almost 50% of the total central transfers. However, this does not solve the problem altogether because there is still scope for better functioning of the two bodies.

Whether resources reach the states through the Finance Commission or the Planning Commission, transfers should reduce the existing disparities among the states. Unfortunately, the allocations have not been effected in a manner that could achieve this objective and the existing disparities have tended to increase. Table 3, which compares per capita income with per capita transfers, shows that the poorest states have not received the largest per capita allocations from the Center. Punjab, the third richest in terms of per capita income, in 1960-61 received the highest per capita allocation of total transfers, Rs. 35.5 (excluding Jammu and Kashmir, where political factors also influence the decisions). In contrast, Bihar, the poorest state, received Rs. 14.3 per capita to rank thirteenth in per capita transfers during that year. Similarly, Uttar Pradesh, thirteenth in per capita income, at Rs. 12.6 stood lowest in per capita transfers. Other relatively poorer states such as Orissa and Madhya Pradesh were also allocated lower per capita transfers than relatively

TABLE 3 *Total Transfers from the Center to Individual States (rupees per capita)*

States in Descending Order of:

<i>Per Capita Income (1960-61)</i>	<i>Per Capita Total Transfers (1960-61)</i>	<i>Per Capita Income (1970-71)</i>
1. Maharashtra	1. Jammu & Kashmir (67.4)	1. Punjab
2. West Bengal	2. Punjab* (35.5)	2. Haryana
3. Punjab	3. Rajasthan (22.4)	3. Gujarat
4. Gujarat	4. Assam (20.4)	4. Maharashtra
5. Tamil Nadu	5. Kerala (18.8)	5. West Bengal
6. Assam	6. Gujarat (18.6)	6. Karnataka
7. Karnataka	7. Andhra Pradesh (17.8)	7. Rajasthan
8. Rajasthan	8. Orissa (17.3)	8. Tamil Nadu
9. Andhra Pradesh	9. Karnataka (16.8)	9. Andhra Pradesh
10. Jammu & Kashmir	10. West Bengal (16.0)	10. Kerala
11. Madhya Pradesh	11. Madhya Pradesh (15.3)	11. Assam
12. Kerala	12. Maharashtra (14.5)	12. Jammu & Kashmir
13. Uttar Pradesh	13. Bihar (14.3)	13. Madhya Pradesh
14. Orissa	14. Tamil Nadu (13.9)	14. Uttar Pradesh
15. Bihar	15. Uttar Pradesh (12.6)	15. Orissa
		16. Bihar

NOTE: The six states of Himachal Pradesh, Manipur, Meghalaya, Nagaland, Sikkim, and Tripura have not been included in the table since they are relatively new states. The high dispensations to them, to Assam, and to Jammu and Kashmir are based on extraordinary criteria rather than on their backwardness alone.

*Including Haryana.

better-off states such as Punjab and Gujarat. West Bengal, second in per capita income, was given higher per capita assistance than the "backward" states of Madhya Pradesh, Bihar, and Uttar Pradesh. Maharashtra, first in per capita income, received greater per capita assistance than Bihar and Uttar Pradesh. Thus the relatively poorer states of Bihar, Uttar Pradesh, Orissa, and Madhya Pradesh were not getting their fair share.

By 1970-71 the situation had not improved much. Punjab, with the highest per capita income, received per capita total transfers equal to that of Madhya Pradesh and greater than those of Bihar and Uttar Pradesh. Similarly, the developed and high per capita income states of West Bengal, Haryana, Gujarat, and Maharashtra were allocated greater per capita total transfers than the relatively "backward" states of Madhya Pradesh, Bihar, and Uttar Pradesh.

In 1980-81 (budget) also, Punjab, richest in per capita income, was granted higher per capita total transfers than relatively poorer Uttar Pradesh, Bihar, and Rajasthan. Similarly, the other relatively better-off states such as Haryana, Maharashtra, and West Bengal received higher per capita transfers than the poorer states of Uttar Pradesh, Bihar, Rajasthan, and Kerala. Gujarat, with much higher per capita income,

<i>Per Capita Total Transfers (1970-71)</i>		<i>Per Capita Income (1979-80)</i>	<i>Per Capita Total Transfers (1980-81 Budget)</i>	
1. Jammu & Kashmir	(159.3)	1. Punjab	1. Jammu & Kashmir	(494.3)
2. Assam	(100.7)	2. Maharashtra	2. Orissa	(181.7)
3. Rajasthan	(84.0)	3. Haryana	3. Gujarat	(137.2)
4. Orissa	(60.8)	4. Gujarat	4. Assam	(132.4)
5. Kerala	(54.6)	5. West Bengal	5. Madhya Pradesh	(131.7)
6. West Bengal	(53.0)	6. Tamil Nadu	6. Punjab	(117.6)
7. Haryana	(50.5)	7. Jammu & Kashmir	7. Haryana	(116.4)
8. Andhra Pradesh	(45.8)	8. Karnataka	8. Maharashtra	(115.5)
9. Karnataka	(44.3)	9. Andhra Pradesh	9. West Bengal	(114.7)
10. Gujarat	(41.2)	10. Kerala	10. Uttar Pradesh	(108.8)
11. Maharashtra	(38.7)	11. Assam	11. Bihar	(108.0)
12. Madhya Pradesh	(37.5)	12. Rajasthan	12. Andhra Pradesh	(103.5)
13. Punjab	(37.5)	13. Uttar Pradesh	13. Karnataka	(102.6)
14. Bihar	(36.4)	14. Madhya Pradesh	14. Tamil Nadu	(100.9)
15. Uttar Pradesh	(35.2)	15. Orissa	15. Rajasthan	(98.9)
16. Tamil Nadu	(34.0)	16. Bihar	16. Kerala	(94.4)

ranked third in per capita transfers. The need to allocate higher per capita total transfers to relatively poorer states cannot be overemphasized.

An examination of the per capita transfers effected through both the Finance Commission and the Planning Commission will enable us to determine if these agencies have been following scientific principles in allocating resources among the states. Table 4 shows the per capita sums distributed to individual states through the Finance Commission. The poorest states have not been provided the highest per capita share of central divisible taxes and statutory grants. Thus Punjab, the third richest state in 1960-61, received the highest per capita grants and share of central taxes (excluding Jammu and Kashmir). Also in 1960-61, Bihar, the poorest state, was given lower per capita grants and tax shares than any other state except Tamil Nadu, Maharashtra, and Uttar Pradesh. Gujarat, the fourth richest, ranked fourth in per capita grants and tax shares. West Bengal also received higher per capita grants and tax shares than many of the poorer states. Uttar Pradesh, thirteenth in per capita income, was allocated the lowest per capita grants and tax shares. Thus

TABLE 4 *Statutory Grants and Central Divisible Taxes Distributed to Individual States (rupees per capita)*

States in Descending Order of:

<i>Per Capita Income (1960-61)</i>	<i>Per Capita Grants and Tax Shares (1960-61)</i>	<i>Per Capita Income (1970-71)</i>
1. Maharashtra	1. Jammu & Kashmir (14.4)	1. Punjab
2. West Bengal	2. Punjab* (10.2)	2. Haryana
3. Punjab	3. Assam (10.0)	3. Gujarat
4. Gujarat	4. Gujarat (8.5)	4. Maharashtra
5. Tamil Nadu	5. West Bengal (6.7)	5. West Bengal
6. Assam	6. Karnataka (6.4)	6. Karnataka
7. Karnataka	Orissa (6.4)	7. Rajasthan
8. Rajasthan	8. Andhra Pradesh (5.4)	8. Tamil Nadu
9. Andhra Pradesh	9. Madhya Pradesh (5.3)	9. Andhra Pradesh
10. Jammu & Kashmir	10. Rajasthan (5.2)	10. Kerala
11. Madhya Pradesh	11. Kerala (4.7)	11. Assam
12. Kerala	12. Bihar (4.6)	12. Jammu & Kashmir
13. Uttar Pradesh	13. Tamil Nadu (4.4)	13. Madhya Pradesh
14. Orissa	14. Maharashtra (4.1)	14. Uttar Pradesh
15. Bihar	15. Uttar Pradesh (4.0)	15. Orissa
		16. Bihar

NOTE: The six states of Himachal Pradesh, Manipur, Meghalaya, Nagaland, Sikkim, and Tripura have not been included in the table since they are relatively new states. The high dispensations to them, to Assam, and to Jammu and Kashmir are based on extraordinary criteria rather than on their backwardness alone.

*Including Haryana.

the poorer states of Bihar, Uttar Pradesh, Kerala, and Madhya Pradesh were not getting their fair shares from the Finance Commission.

The situation improved slightly in 1970–71 when Punjab and Haryana received the lowest per capita grants and tax shares. However, Bihar, Madhya Pradesh, and Uttar Pradesh were still lower on the ladder, being given relatively smaller per capita grants and tax shares than the relatively developed states of West Bengal, Maharashtra, and Gujarat. By 1980–81 (budget), however, Bihar and Uttar Pradesh moved higher up the ladder when both were provided greater per capita grants and tax shares than West Bengal, Gujarat, Maharashtra, Punjab, and Haryana. It may be emphasized, however, that both states are still not receiving their fair share. And Rajasthan, which has a relatively lower per capita income, was allocated the lowest per capita grants and tax shares. It is not only desirable but urgently required that the Finance Commission in future recommend distribution of taxes and grants on the basis of such scientific principles as would benefit poorer Bihar, Uttar Pradesh, and Rajasthan.

A major part of the grants (other than statutory grants) and loans are given to the states through the Planning Commission. Here too the

<i>Per Capita Grants and Tax Shares (1970–71)</i>		<i>Per Capita Income (1979–80)</i>	<i>Per Capita Grants and Tax Shares (1980–81 Budget)</i>	
1. Jammu & Kashmir	(61.8)	1. Punjab	1. Jammu & Kashmir	(139.4)
2. Assam	(30.8)	2. Maharashtra	2. Orissa	(72.2)
3. Orissa	(29.4)	3. Haryana	3. Tamil Nadu	(57.4)
4. Kerala	(22.4)	4. Gujarat	Madhya Pradesh	(57.4)
5. West Bengal	(21.8)	5. West Bengal	5. Kerala	(56.2)
6. Rajasthan	(21.6)	6. Tamil Nadu	6. Bihar	(56.1)
7. Maharashtra	(18.8)	7. Jammu & Kashmir	7. Uttar Pradesh	(55.9)
8. Gujarat	(16.9)	8. Karnataka	8. West Bengal	(54.4)
9. Karnataka	(16.8)	9. Andhra Pradesh	9. Gujarat	(53.5)
Bihar	(16.8)	10. Kerala	10. Andhra Pradesh	(51.5)
11. Tamil Nadu	(16.3)	11. Assam	11. Maharashtra	(51.4)
12. Madhya Pradesh	(16.1)	12. Rajasthan	12. Karnataka	(50.5)
Uttar Pradesh	(16.1)	13. Uttar Pradesh	13. Assam	(45.8)
14. Andhra Pradesh	(15.3)	14. Madhya Pradesh	14. Punjab	(44.5)
15. Punjab	(15.1)	15. Orissa	15. Haryana	(44.4)
16. Haryana	(15.1)	16. Bihar	16. Rajasthan	(39.3)

relatively "backward" states have been left behind because of the absence of scientific and well-planned principles. Table 5 shows the per capita share of individual states in grants other than statutory. In 1960-61 Punjab and Tamil Nadu (excluding Jammu and Kashmir) received the highest per capita grants. Relatively poorer Uttar Pradesh, Madhya Pradesh, Bihar, Orissa, and Rajasthan were given smaller per capita grants than the better-off states such as Tamil Nadu and Karnataka. In 1970-71 also, Bihar, Uttar Pradesh, Kerala, Orissa, and Madhya Pradesh were allocated smaller per capita grants than relatively developed Gujarat, Punjab, and Haryana. The situation did not improve much even in 1980-81 (budget) except for Orissa and Madhya Pradesh, but the poorer states of Bihar, Uttar Pradesh, and Kerala received smaller grants than the developed states of Gujarat, Punjab, and Haryana. It may also be noted that Maharashtra, second in per capita income, was given higher per capita grants than Bihar and Kerala. Once again, the need to increase central assistance to the poorer states, whose needs are greater but which find it difficult to raise sufficient resources, cannot be stressed enough for the smooth functioning of the federation and broader national interest.

Per capita central loans made by the Planning Commission to individ-

TABLE 5 *Nonstatutory Grants to Individual States (rupees per capita)*

States in Descending Order of:

<i>Per Capita Income (1960-61)</i>	<i>Per Capita Grants (1960-61)</i>		<i>Per Capita Income (1970-71)</i>
1. Maharashtra	1. Jammu & Kashmir	(8.3)	1. Punjab
2. West Bengal	2. Punjab*	(5.5)	2. Haryana
3. Punjab	3. Tamil Nadu	(4.1)	3. Gujarat
4. Gujarat	4. Karnataka	(3.6)	4. Maharashtra
5. Tamil Nadu	5. Orissa	(3.4)	5. West Bengal
6. Assam	6. Assam	(3.2)	6. Karnataka
7. Karnataka	Bihar	(3.2)	7. Rajasthan
8. Rajasthan	Kerala	(3.2)	8. Tamil Nadu
9. Andhra Pradesh	9. Rajasthan	(3.0)	9. Andhra Pradesh
10. Jammu & Kashmir	10. Uttar Pradesh	(2.9)	10. Kerala
11. Madhya Pradesh	11. Madhya Pradesh	(2.8)	11. Assam
12. Kerala	12. Andhra Pradesh	(2.5)	12. Jammu & Kashmir
13. Uttar Pradesh	13. Maharashtra	(2.4)	13. Madhya Pradesh
14. Orissa	14. Gujarat	(2.2)	14. Uttar Pradesh
15. Bihar	15. West Bengal	(2.0)	15. Orissa
			16. Bihar

NOTE: The six states of Himachal Pradesh, Manipur, Meghalaya, Nagaland, Sikkim, and Tripura have not been included in the table since they are relatively new states. The high dispensations to them, to Assam, and to Jammu and Kashmir are based on extraordinary criteria rather than on their backwardness alone.

*Including Haryana.

ual states are listed in Table 6. Punjab (excluding Jammu and Kashmir) received the highest per capita central loans in 1960-61. The poorer states of Uttar Pradesh, Bihar, Madhya Pradesh, and Orissa were given smaller per capita loans than more advanced Maharashtra, Gujarat, and West Bengal. The situation improved slightly by 1970-71, but Haryana and West Bengal were still getting higher per capita loans than Kerala, Orissa, Bihar, Madhya Pradesh, and Uttar Pradesh. The situation deteriorated by 1980-81 (budget) when the relatively developed states of Punjab, Gujarat, West Bengal, and Maharashtra received higher per capita loans than Madhya Pradesh, Bihar, Uttar Pradesh, Andhra Pradesh, Rajasthan, and Kerala.

The data lead to the conclusion that the different forms in which resources are transferred from the Center to the states—through either the Finance Commission or the Planning Commission—have the unfortunate consequences that the poorer states receive less assistance from the Center and that the existing disparities have not been significantly reduced. Bihar continues to have the lowest per capita income, and Uttar Pradesh, whose per capita income was 5% above the all-India average in 1950-51 (the last year of the pre-Plan period), has a per capita income at

<i>Per Capita Grants (1970-71)</i>		<i>Per Capita Income (1979-80)</i>	<i>Per Capita Grants (1980-81 Budget)</i>	
1. Jammu & Kashmir	(42.6)	1. Punjab	1. Jammu & Kashmir	(129.0)
2. Assam	(25.7)	2. Maharashtra	2. Orissa	(56.5)
3. Rajasthan	(16.5)	3. Haryana	3. Madhya Pradesh	(38.0)
4. Gujarat	(12.1)	4. Gujarat	4. Gujarat	(37.5)
5. Punjab	(11.0)	5. West Bengal	5. Haryana	(36.7)
6. Haryana	(10.8)	6. Tamil Nadu	6. Assam	(34.3)
7. Madhya Pradesh	(9.9)	7. Jammu & Kashmir	7. Rajasthan	(33.4)
8. Orissa	(8.9)	8. Karnataka	8. Punjab	(24.0)
9. Kerala	(8.2)	9. Andhra Pradesh	9. Uttar Pradesh	(21.5)
10. Uttar Pradesh	(8.1)	10. Kerala	10. Andhra Pradesh	(21.3)
11. Bihar	(7.4)	11. Assam	11. Karnataka	(20.9)
12. West Bengal	(7.1)	12. Rajasthan	12. Maharashtra	(20.8)
13. Maharashtra	(6.8)	13. Uttar Pradesh	13. Bihar	(20.2)
14. Karnataka	(6.0)	14. Madhya Pradesh	14. Kerala	(15.4)
15. Andhra Pradesh	(5.9)	15. Orissa	15. West Bengal	(15.2)
16. Tamil Nadu	(5.2)	16. Bihar	16. Tamil Nadu	(13.9)

TABLE 6 *Central Government Loans to Individual States (rupees per capita)**States in Descending Order of:*

<i>Per Capita Income (1960-61)</i>	<i>Per Capita Loans (1960-61)</i>	<i>Per Capita Income (1970-71)</i>
1. Maharashtra	1. Jammu & Kashmir (44.7)	1. Punjab
2. West Bengal	2. Punjab* (19.8)	2. Haryana
3. Punjab	3. Rajasthan (14.2)	3. Gujarat
4. Gujarat	4. Kerala (10.9)	4. Maharashtra
5. Tamil Nadu	5. Andhra Pradesh (9.9)	5. West Bengal
6. Assam	6. Maharashtra (8.0)	6. Karnataka
7. Karnataka	7. Gujarat (7.9)	7. Rajasthan
8. Rajasthan	8. Orissa (7.5)	8. Tamil Nadu
9. Andhra Pradesh	9. West Bengal (7.3)	9. Andhra Pradesh
10. Jammu & Kashmir	10. Assam (7.2)	10. Kerala
11. Madhya Pradesh	Madhya Pradesh (7.2)	11. Assam
12. Kerala	12. Karnataka (6.8)	12. Jammu & Kashmir
13. Uttar Pradesh	13. Bihar (6.5)	13. Madhya Pradesh
14. Orissa	14. Uttar Pradesh (5.7)	14. Uttar Pradesh
15. Bihar	15. Tamil Nadu (5.4)	15. Orissa
		16. Bihar

NOTE: The six states of Himachal Pradesh, Manipur, Meghalaya, Nagaland, Sikkim, and Tripura have not been included in the table since they are relatively new states. The high dispersions to them, to Assam, and to Jammu and Kashmir are based on extraordinary criteria rather than on their backwardness alone.

*Including Haryana.

present about 24% lower than the all-India average. The obvious reason for such a state of affairs is that the wrong criteria were used in allocating resources among the states.

The Finance Commission has followed different sets of criteria in distributing taxes and grants-in-aid, and these have been inequitable. If the basic objective of transferring funds from the Center to the states is to reduce existing disparities among the states, "there is no reason why different criteria should be adopted at all for tax-sharing and distributing grants. The overall purpose of this devolution being the attainment of inter-regional equity, measured in terms of providing adequate resources to meet the fiscal needs of the States, there is no reason why different criteria for tax-sharing and grants should be applicable."⁹ The successive

9. M. Govinda Rao, "Federal Fiscal Transfers in India—Performance of Sixth Finance Commission," *Economic and Political Weekly*, July 30, 1977, p. 1229. Raj Krishna also feels that total transfers should be distributed according to a single set of criteria, there being no distinction between tax shares and grants; see his article, "Allocation of Resources, I—An Anachronistic System," *The Times of India*, January 23, 1969. According to the report of the Seventh Finance Commission, C. H. Hanumantha Rao, a member of the Commission

<i>Per Capita Loans (1970-71)</i>		<i>Per Capita Income (1979-80)</i>		<i>Per Capita Loans (1980-81 Budget)</i>
1. Jammu & Kashmir	(54.9)	1. Punjab		1. Jammu & Kashmir (225.9)
2. Rajasthan	(45.9)	2. Maharashtra		2. Orissa (53.0)
3. Assam	(44.2)	3. Haryana		3. Assam (52.3)
4. Haryana	(24.7)	4. Gujarat		4. Punjab (49.1)
5. Andhra Pradesh	(24.6)	5. West Bengal		5. Gujarat (46.2)
6. West Bengal	(24.1)	6. Tamil Nadu		6. West Bengal (45.1)
7. Kerala	(24.0)	7. Jammu & Kashmir		7. Maharashtra (43.3)
8. Orissa	(22.5)	8. Karnataka		8. Madhya Pradesh (36.3)
9. Karnataka	(21.5)	9. Andhra Pradesh		9. Haryana (35.3)
10. Maharashtra	(13.1)	10. Kerala		10. Bihar (31.7)
11. Tamil Nadu	(12.5)	11. Assam		11. Uttar Pradesh (31.4)
12. Bihar	(12.2)	12. Rajasthan		12. Karnataka (31.2)
13. Gujarat	(12.2)	13. Uttar Pradesh		13. Andhra Pradesh (30.7)
14. Madhya Pradesh	(11.5)	14. Madhya Pradesh		14. Tamil Nadu (29.6)
15. Punjab	(11.4)	15. Orissa		15. Rajasthan (26.2)
16. Uttar Pradesh	(11.0)	16. Bihar		16. Kerala (22.8)

finance commissions have recognized the sanctity of collection in determining each state's share in the divisible pool of income taxes, which "implied the recognition of an inherent right of each State" to the proceeds of income tax raised in that state. Under the Indian Constitution, the states do not have a right to levy and collect income tax, and the Second Finance Commission rightly emphasized that "there is no legal basis for the . . . claim that the Union is in some way required to return to the States the income tax attributable to them after retaining its share."¹⁰ Nevertheless, the successive finance commissions have continued to recognize the importance of collection so as not to break the continuity of policy in determining each state's share of the divisible income tax

(and also a member of the Eighth Finance Commission), feels that "the principles for the distribution of the divisible pool of income tax among the States should be the same as in the case of excise duties. However, in view of the decision of the Commission to give a significant weightage to factors in favour of the less developed States in the distribution of the much enlarged divisible pool of excise duties he concurs with the overall recommendations." *Report*, 1978, p. 83.

10. *Report*, 1957, p. 39.

pool. The Seventh Finance Commission appears to have been illogical in deciding to allocate 10% of this pool among the states in the same proportion as their contribution to income tax revenue merely because "a smaller proportion is likely to be unacceptable to the States which contribute significantly to income tax revenue."¹¹ The Finance Commission enjoys full freedom and is not accountable to the state governments, and thus should not be guided by such petty considerations.

It may also be emphasized here that finance commissions in the past have used population as the main criterion for distributing the proceeds of income tax and central government excise duties.¹² The Seventh Finance Commission, in its efforts to place the financially weaker states on a better footing, thought that it would be desirable to adopt the "overall indicators of backwardness . . . instead of partial indicators."¹³ Accordingly, in the distribution of the much-enlarged divisible pool of the Center's excise duties, the Commission gave an equal weight of 25% to population, the inverse of the per capita state domestic product, the percentage of poor in each state's population, and a formula for revenue equalization. But why did not the Commission adopt the same principles for the distribution of the divisible income tax pool if it really wanted to favor the less-developed states? And why did not the Commission give a greater weight to a state's per capita income than to its "poverty ratio?" Use of the poverty ratio—an indicator of income distribution—as a criterion does not necessarily benefit the relatively "backward" states since it is quite possible for a state with a higher per capita income to have a higher poverty ratio because of great disparities in the distribution of that income. The poverty ratios in the case of the relatively better-off states, such as West Bengal and Tamil Nadu, are higher than those of the poorer states of Madhya Pradesh, Orissa, Rajasthan, and Kerala. In such a situation, the very objective of using the poverty ratio as a basis for distribution is defeated.

It should also be emphasized that for a long period the budgetary deficits of the states, determined by a uniform methodology, have been the main basis for the grants-in-aid recommended by the Finance Commission. Under such circumstances, states with high levels of expenditure or relatively low levels of taxation would get grants irrespective of their economic strength. Although such principles as tax effort and

11. *Ibid.*, p. 82.

12. *Trends and Issues*, referred to earlier, concluded that during 1962-63 to 1973-74 (the period covered by the awards of the third, fourth, and fifth finance commissions), population could explain 92-97% of the variations in tax share percentages, thus stating that taxes are allocated on the basis of population.

13. *Report*, 1978, p. 86.

economy in expenditures have been approved by successive finance commissions, in fact none of the commissions put them into practice satisfactorily. The Sixth Finance Commission, rather than improving upon the effort index initiated by the Fifth Finance Commission, ignored it on the grounds that a formula based on relative tax effort "would place at a disadvantage some of the States faced with big gaps on non-Plan revenue accounts."¹⁴ The Seventh Finance Commission observed that "we have taken into account the tax effort of the States and the returns which prudent management of public enterprises should fetch to the State Governments."¹⁵ However, inequity is increased if uniform standards are imposed on all states regarding their performance or returns on investments in irrigation, transport, and power projects. The Seventh Finance Commission seems to have done exactly this when it insisted that receipts from multipurpose major and medium-sized projects "should not only cover working expenses but also provide a return by way of interest of 1 per cent on the total capital invested by the States at the end of 1978-79."¹⁶

The budgetary gap has thus been the bedrock of statutory grants, and almost all the commissions have adopted a gap-filling approach. For example, despite the claim of the Sixth Finance Commission that they "have not adopted the approach of mechanical filling up of the gap between receipts and expenditure,"¹⁷ they could not discard the importance of the concept of "budgetary equilibrium" altogether. As a result, the revenue surpluses of some poor states were adjusted against the provision of funds earmarked for upgrading the standards of essential administrative and social services. Thus, Madhya Pradesh received no grant because it was estimated to have a revenue surplus of Rs. 110.18 crores.

Because of this gap-filling approach adopted by the successive finance commissions, we find that the poor state of Uttar Pradesh could qualify for a grant, under article 275(i) of the Constitution, only under the awards of the Sixth Finance Commission. Similarly, Bihar, the poorest state, received no grant from the fourth, fifth, and seventh finance commissions under article 275(i). The surpluses arising in these states are due to their inability to provide services at adequate levels compared to most other states.

Plan assistance to the states through the Planning Commission is not based on systematic and planned principles either. Central assistance

14. *Report*, 1973, p. 52.

15. *Report*, 1978, p. 77.

16. *Ibid.*, p. 23.

17. *Report*, 1973, p. 67.

through the Planning Commission is given for the states' own projects, decided on the basis of the gap between a state's resources and the size of its plan as determined by the Planning Commission. Assistance is also given for projects sponsored by the Center that it wholly or partly finances. Prior to the Fourth Plan, when there was an agreed ceiling on aggregate central assistance for state plans, plan assistance was given on a project basis. In the beginning the assistance was based on very detailed projects, and the amount varied from one to the other, differed within a project for different types of expenditure, and in some cases changed from year to year. The conditions and the composition of grants and loans also varied with the specific nature of expenditures: If there was a difference between the total approved central assistance to a state and the money it earned on a project basis, the difference was given in the form of a miscellaneous loan. "This formula was found to leave great scope for political pressures and bargaining; it was found that the richer States got more of their assistance in the form of grants than the poorer ones."¹⁸

The project pattern of assistance suffered from many defects. The states adopted projects without careful planning and scrutiny when central assistance was offered to them. The state governments, though presumably better equipped to assess local needs, resources, and limitations, gave little thought to the suitability of projects. To get more assistance, they cut expenditures on non-project items that would have been more productive. In this situation, "it appears that in the initial years of Planning, there were many complications in regard to the enumeration of schemes [projects] and determination of the quantum of assistance, and also there was confusion and delay in regard to the disbursement of the grants to the States."¹⁹

Since assistance was largely given on the matching grant principle, it went against the interests of the poorer states. The relatively better-off states were more in a position to raise large amounts to qualify for grants. In addition, such states were able to draw up better plans because of their better administration. The Second Finance Commission criticized the system of matching grants and pointed out that "the State Governments were unable to meet their share of the expenditure on these schemes as all the resources had already been committed for their inescapable expenditure for the implementation of the Plan. Their

18. D. T. Lakdawala, "Centre-State Financial Relations," in *Centre-State Financial Relations* (Papers read at the Indian Economic Conference, Bodh Gaya, 1972; Bombay: Popular Prakashan), p. viii.

19. G. Thimmaiah, "Plan Grants in India—A Critical Evaluation," *The Indian Journal of Public Administration*, 22:2 (April-June 1976), p. 241.

difficulty was greater in the case of schemes outside the Plan."²⁰ The system of matching grants cannot be justified because it would normally go against the interests of "backward" regions and favor the relatively better-off states, which can easily qualify for central assistance and utilize matching grants to a greater extent because of their better financial positions.²¹

The state governments have insisted from time to time that central assistance be based on certain objective criteria. The Planning Commission, with the assistance of the National Developmental Council, devised a new formula for the distribution of plan assistance among states other than Assam, Nagaland, and Jammu and Kashmir. Under this formula, from 1969-70 30% of the assistance was in the form of grants and 70% was loans.

Under the arrangements in force since 1969-70, the total resources allocated to a state are determined on the following basis: population, 60%; per capita tax effort, 10%; continuing major and medium-sized irrigation and power projects, 10%; special problems such as floods, chronic drought-affected areas, and tribal areas, 10%; and economic "backwardness" (i.e., per capita income below the all-India average), 10%. This last category was raised to 20% in 1980 and the 10% weight previously given to irrigation and power schemes was abolished. As a result of this arrangement, popularly known as the Gadgil formula, central assistance to states has been based on certain rational criteria. The earlier system of tying plan grants to specific projects and matching assistance has almost been given up. However, the states are not satisfied with the allocation of plan resources under this formula. The 10% (now 20%) allocated for the poorer states was a welcome feature, but it did not take into account the past progress made by the states as a result of the expenditure for which an allowance had already been made by the Finance Commission. Poor states also lose when tax effort is judged as a ratio of revenue to state income because with the same level of taxation they cannot, in terms of percentages of their incomes, collect the same amount of tax revenues as the relatively better-off states.

The loan content of plan assistance needs a more radical reorganization. The states feel that the allocation of 70% of the resources on the

20. *Report*, 1957, p. 68.

21. "The richer States like Maharashtra and Gujarat got more outright grants. This was not merely because of cleverer people in the Secretariat. It was because they had resources which they could employ in such a manner that they could get to that position." D. R. Gadgil, in a booklet entitled *Formulating Our Plans*, based on an address given in Ahmedabad on November 24, 1968, under the auspices of the Ahmedabad Management Association.

basis of loans places an unduly large burden on them since it has led to the present situation of state indebtedness. Accordingly, the states feel that the proportion of grants should be increased and that of loans reduced in total plan assistance. This needs to be examined.

In recent years the Planning Commission has attempted to allocate relatively more to the poorer states. In 1979 the Commission adopted the IATP (income adjusted total population) formula for a substantial part of plan assistance and utilized discretionary assistance for the benefit of the poorer states. And the 1980 modification of the Gadgil formula has also assisted these states.

A bias in favor of the relatively "backward" states during recent years is a welcome development. "However, for major States as a whole the formula of Plan assistance worked unevenly and unjustly in some cases."²² Moreover, centrally sponsored projects (not bound by the Gadgil assistance formula) could be better used to benefit the poorer states. The states in general welcomed these projects because they received their shares in the projects as well as the agreed plan assistance. However, an examination of the per capita expenditure on centrally sponsored projects on a state-by-state basis during 1974-78 shows that the relatively developed states have benefited more. Per capita expenditure on such projects was highest in Gujarat (Rs. 45.2) during that period, followed by Haryana (Rs. 44.3). The per capita expenditures in Punjab (Rs. 35.0) and Maharashtra (Rs. 33.1) were also higher than for poorer Bihar (Rs. 16.9), Uttar Pradesh (Rs. 22.0), Kerala (Rs. 25.3), Madhya Pradesh (Rs. 32.0), and Orissa (Rs. 32.9). Unfortunately, in many cases the central parental departments hardly cared about which states benefited from their projects. The decision to curtail these projects and to distribute the sums thus saved on a more progressive basis was a step in the right direction.

As things stand states get assistance from different bodies in different forms and on the basis of different criteria. Prior to the establishment of planning, assistance was given to the states under Article 270 and 272 of the Constitution through the sharing of income tax and central excise duties. Grants in lieu of jute export duty and general grants-in-aid were given under Articles 273 and 275, respectively. If revenue sharing had continued as the principal method of transferring funds from the Center to the states and grants-in-aid had been used as a residual method, there would have been no difficulties in the center-state financial relationship.

22. D. T. Lakdawala, in his keynote address to the seminar, "Fiscal Re-adjustment and the Finance Commission," held at the Department of Economics, Lucknow University, in February 1983 (Mimeo).

However, during the planning era, central grants to the states "made for a public purpose" under Article 282 of the Constitution on the recommendations of the Planning Commission have become more important in amount and nature than the grants made under Article 275 on the recommendations of the Finance Commission. In addition, there is no appropriate forum to examine whether the total assistance given to the states conforms to any objective criteria. In such a situation, the state governments often take advantage by presenting different estimates of their resources before the Planning Commission and the Finance Commission. This creates unnecessary duplication and conflict in the working of the two bodies. The innovation of associating a member of the Planning Commission with the Finance Commission, introduced by the Sixth Finance Commission and continued by the seventh and eighth finance commissions, is a step in the right direction, but the fact remains that the overriding importance of the Planning Commission in deciding central assistance to the states defeats the intentions of the Constitution.

While the Planning Commission provides increasingly more assistance to the states, it should be equally concerned with the utilization of these funds. It must ensure that the funds have been used for the purpose for which they were sanctioned and that the states adhered to the schedule agreed to in the plan so that projects are completed on time. In the beginning this job of monitoring the work of the plan was entrusted to the advisers to the Commission (there are now 18 advisers compared with three in 1952). These advisers are expected to visit the states or the areas assigned to them and closely follow the progress of projects. They are also expected to help the states to find solutions to any problems and to serve as a link between the Commission and the projects. However, from the very beginning, this arrangement had little effect on the implementation of the plan because of the quick transfer of these advisers and long delays in their replacement. After the death of Nehru in 1964, the practice was almost given up and visits by the advisers virtually ended. Moreover, the states also felt it as an infringement on their autonomy. The timely implementation of a plan is still a mirage with no concrete built-in device to ensure the progress of various programs. The Planning Commission should, therefore, seriously ponder this aspect and devise suitable measures to ensure the implementation of plan programs by the states on time. This is essential because the formulation of plans and their implementation should be the primary duty of the Planning Commission.

An acceptable dichotomy of functions between the Finance Commission and the Planning Commission is urgently needed. The Planning Commission should be entrusted with formulating national plans and

devising mechanisms for their timely implementation. In doing so, the Commission should understand the resource capacities of the central and state governments. It should also survey the natural resources of different parts of the country. Having assessed the potential of financial and physical resources, it should draw up national plans and specify their state components. The planning process should become as nonpolitical as possible. And the states implementing plan programs on time should be suitably rewarded, since this will inspire other states to follow suit.

The total assistance to be provided to the states, whether through tax-sharing, grants-in-aid, or loans, should be placed at the disposal of the Finance Commission. This would enlarge the scope of the Finance Commission without encroaching on the functions of the Planning Commission, whose real task would then be to formulate national plans and devise ways to implement plan programs. The Finance Commission would take the plans as given and allocate resources among the states on a scientific basis that would help achieve the objectives drawn up by the Planning Commission. To assess the implementation of the programs and also to ensure the proper utilization of funds by different state governments, the Planning Commission should visit the states from time to time and submit reports periodically to the Finance Commission, which would subsequently use this information when allocating funds to the states. Alternatively, there should be joint meetings of the Planning Commission and the Finance Commission at least annually to ensure coordination in their operations.

Since the basic objective of transferring resources from the Center to the states is to reduce existing disparities among the states, it is desirable that both tax-sharing and grants-in-aid should be made on the basis of state per capita income since this criterion satisfactorily indicates the economic progress of different states. Such figures also reflect the levels of state agricultural and industrial development. In those that are relatively developed, there is higher production and, therefore, higher per capita income. It is true that the cost of providing various services will differ from state to state depending on price levels. A state with lower price levels would, no doubt, be able to provide services at lower cost, but the value of total output would also be low and would be reflected in that state's low per capita income. Thus the cost of providing services is also reflected indirectly in the per capita income indices.

Had the Finance Commission given enough weight to state per capita income in making transfers, the poorer states like Bihar and Uttar Pradesh would not have suffered.²³ It was unfortunate, however, that the

23. The dissenting note, "A More Equitable Distribution of Resources," by Raj Krishna, a member of the Seventh Finance Commission, indicated that resources should be

criterion of per capita income was discarded by the First Finance Commission when it observed that "there are no figures for individual States and we are unable in the circumstances, to form any idea regarding the possible use of such data."²⁴ Per capita income figures were readily available to subsequent finance commissions, but unfortunately they did not give them due weight when they distributed funds. It may be hoped that the Eighth Finance Commission²⁵ examined this aspect more carefully and made proper use of per capita income figures in allocating funds to the states.

It is also suggested that the Finance Commission be made a continuing body with one member retiring each year. This arrangement would allow new blood to enter and at the same time prevent the establishment of vested interests since all the members of the Commission would change over a period of five years. A continuing Finance Commission would also have the advantage of learning by experience like a permanent Commission. And it would have the opportunity to review the finances of the central and state governments in continuity and to consider them in the context of national goals to be achieved.

distributed among the states so as to benefit the relatively poorer states more. I. S. Gulati and K. K. George, in their paper "Inter-State Redistribution through Budgetary Transfers," conclude that "one thing is clear . . . that any attempt at preserving the existing pattern of transfers will only accentuate, rather than rectify, inter-State disparities." *Economic and Political Weekly*, March 18, 1978, p. 528.

24. *Report*, 1952, p. 76.

25. This Commission was constituted on June 20, 1982, and was required to submit its report by October 31, 1983.

Policies of Ethnic Preference in Pakistan

Charles H. Kennedy

Perhaps to an unusual degree Pakistan has suffered since its birth from disabilities associated with regional differences and resultant competing national demands. From Partition in 1947 until the dismemberment of the state in 1971, Pakistan served as the ideological battleground for antithetical visions of Punjabi and Bengali nationalisms. Indeed, the consequences of such conflicting visions—the Civil War of 1971 and the emergence of Bangladesh—have marked the only instance in the 20th century of a successful secessionist movement. Ominously during the past decade, the specter of regionalism and possible future secessionist sentiment has been voiced by disaffected Pathan, Baluch, and Sindhi leaders.

Ironically, however, throughout its history Pakistan has adopted policies of ethnic preference formulated to address the demands of disaffected groups. Further, such policies have been rigorously implemented and have lessened ethnic inequality in governmental employment. This article analyzes Pakistan's ethnic quota. It is divided into four sections: The first examines the rationale for adopting the quota; the second details the history of ethnic preference policies in Pakistan; the third examines the operation of the system; and the final section offers some cautious lessons derived from the Pakistani experience.

Rationales

Pakistan is a multiethnic state. Since the secession of Bangladesh in 1971,¹ Pakistan has contained four major ethnic groups. In numbers, the largest of these are the Punjabis, followed by the Sindhis, the Pathans, and the Baluch.² There is also a significant "tribal population." Each of

Charles H. Kennedy is Assistant Professor in the Department of Government and Legal Studies, Bowdoin College, Brunswick, Maine. The research for this article was generously supported by a research grant from the American Institute of Pakistan Studies and by Bowdoin College. Earlier versions of this paper were presented to the 11th Wisconsin Conference on South Asia and to the 19th Northeast Political Science Association Meeting (1982).

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1. Before 1971 Bengalis constituted roughly 55% of Pakistan's total population.

2. Approximate populations of provinces in 1982 are: Punjab 54 million, Sind 19

these groups is defined by an admixture of linguistic and political attributes—Punjabis in Punjab speak Punjabi as their mother language, Sindhis in Sind speak Sindhi, Pathans in the North-West Frontier Province (NWFP) speak Pushtu, and the Baluch in Baluchistan speak Baluchi or Brauhi. Tribal groupings live in all four of the provinces, but the greatest concentrations are in the Federally Administered Tribal Areas (FATA) and Azad Kashmir. However, there is significant slippage in such definitions of ethnic identity. Considerable numbers of Punjabis, Pathans, and Sindhis live outside their respective provinces. This is particularly true in regard to the ethnically diverse major urban areas of Pakistan—Karachi, Lahore, and Rawalpindi. Further, more Pathans than indigenous Baluch live in Quetta, the capital of Baluchistan.³ There is also a slippage in regard to linguistic determinants of ethnicity. Pakistan has one national language, Urdu, and one official language, English. The great majority of Pakistanis, approximately 90%, speak or at least understand Urdu.⁴ Regional languages are spoken by comparatively fewer people, and the proportion of those domiciled in a given region who speak the relevant regional language varies widely from region to region. Indeed, it can be demonstrated that the self-declaration of mother language is more indicative of political sentiment than of linguistic competence.⁵

However loose the definition of ethnic groupings in Pakistan may be, indisputable gaps exist in the respective levels of development of the four provinces. Generally speaking, the provinces of Punjab and Sind are the most highly developed, while the other provinces are relatively less developed. Indicators of such gaps include differentials in per capita income,⁶ life expectancy,⁷ and levels of industrialization.⁸ Such gaps are million, NWFP 14.6 million (including tribal areas, but excluding Afghan refugees), and Baluchistan 3.25 million. Comparable figures for ethnic communities do not exist. Source: Calculated by author using 1972 census data and assuming 3% annual growth rate per province.

3. Selig Harrison, *In Afghanistan's Shadow: Baluch Nationalism and Soviet Temptation* (Washington: Carnegie Endowment, 1980).

4. See Agha Iftikhar Husain, "Introduction of Urdu in Administration" in Agha Iftikhar Husain (ed.), *Studies in Public Administration of Pakistan* (Islamabad: Pakistan Administrative Research Centre, 1979).

5. For instance, roughly one-third of the successful candidates for the CSS examination who claimed Pakhtun as their mother language during 1974–77 did not speak or read the language. Source: Compiled by author from relevant biodata on probationers.

6. Shahid Javed Burki calculates that in 1977 the mean per capita income in the two richer provinces (Punjab and Sind) was 28% higher than that of the poorer provinces. "A Note on Perspectives on Economic Development and Regional Inequalities in Pakistan" (paper presented to the 32nd Annual AAS meeting, 1980), p. 4.

7. In 1977 the mean life expectancy in rural Baluchistan was 42 years, and in rural NWFP 44 years. Mean life expectancy in the Punjab and the Sind was 60 years. *Ibid.*, p. 7.

8. In 1977 there were 3,000 "registered factories" with over 20 employees in the

widely perceived and politicized in Pakistan, and have resulted in the perception of the actual or potential specter of Punjabi, or to a lesser extent Sindhi, domination. Indeed, the most traumatic event in the history of Pakistan, its dismemberment in 1971, was occasioned by the perception of widening inequality between East and West Pakistan. Currently, Pakistan faces several prospective Bangladeshes. The most serious is the demand for greater provincial autonomy in Baluchistan, but there are also significant separatist sentiments in the Sind, and intermittent—though recently dormant—demands for an independent Pathan state—Pakhtunistan.⁹

A third ingredient that has influenced the growth of the quota system has been the inability of Pakistan to achieve balanced levels of institutional development. Pakistan inherited a political system from the British that was crafted to suit the needs of a colonial power—i.e., its overriding concern was to rule a subject people. As a consequence, a primary tool to effect this control, the administrative system inherited by the new state, demonstrated highly complex patterns of organization, well-established forms of socialization for its members, and a remarkable degree of institutional autonomy. Countervailing institutions, particularly those responsible for ensuring governmental responsiveness to the demands of the public (legislatures, electoral bodies, local governments, etc.) existed in only an attenuated form. This developmental gap has persisted during the 37 years since independence. For example, Pakistan has been unable to establish the precedent of orderly succession of political leaders. The outcomes of the three national elections held in Pakistan—1965, 1970, and 1977—were each challenged by the losers as “rigged,” and only in the first did the “winner” remain in office.¹⁰ Similarly, Pakistan, ostensi-

Punjab and 2,889 in the Sind, while the NWFP had only 262 and Baluchistan 9. Pakistan, Statistics Division, *Enquiry on Labour Welfare, 1977* (Karachi, 1981), pp. 1-15. Similarly in 1977, of all “establishments with 20 or more employees excluding defence establishments,” 7,859 were found in the Punjab, 2,673 in the Sind, 1,046 in NWFP, and 290 in Baluchistan. Pakistan, *Report on Annual Establishment Inquiry, 1976-1977* (Karachi, 1981), p. 1.

9. Useful overviews of the nationalities question are found in Lawrence Ziring, *Pakistan: Enigma of Political Development* (Boulder: Westview, 1980), Khalid bin-Sayeed, *Politics in Pakistan* (New York: Praeger, 1981), and in Selig Harrison, *In Afghanistan's Shadow*.

10. Actually the “winner,” General Ayub Khan, was already in power in 1965. The 1970 election resulted in an overall plurality for Sheik Mujibur Rahman, and the eventual Prime Minister Zulfikar Ali Bhutto received only a plurality in West Pakistan. The aftermath of the 1977 election resulted in charges by the Pakistan National Alliance of widespread rigging and fraud on the part of the PPP. Partly as a consequence of these charges, Bhutto was overthrown by a military coup that installed Pakistan's current leader, General Zia-ul Haq, in July 1977.

bly a republic, has been subject to extensive periods of martial law. During such periods, elected national assemblies,¹¹ albeit only marginally consequential during periods of civilian rule, have been disbanded, and political activity has been prohibited or placed under severe restraints. Also, despite numerous attempts at reform, local governments are still dominated by civilian bureaucrats deputed from the federal government for service in the provinces. Functionally, such "district administration" has performed the roles typically entrusted in other systems to elected officials—revenue collection, revenue distribution, rule adjudication, and the execution and formulation of local policy.¹²

Given this context, meaningful input into the policy-making process can only be ensured by securing representation in the civilian bureaucracy. Therefore, to represent the interests of ethnic groupings within Pakistan or to redress the consequences of inequalities between such groupings requires perforce direct incumbency of "nationals" in the civilian bureaucracy. It is this that makes the quota system so important to federal policy making in Pakistan. It can be argued that denial of civilian bureaucratic office in Pakistan is functionally equivalent to the denial of political representation.

Combined, these three ingredients—ethnic diversity, unequal regional or provincial development, and unbalanced institutional growth—explain the nature of Pakistan's policies of preference. Indeed, Pakistan's quota policy is governed by two partially contradictory principles: (1) the remedial or compensatory principle, and (2) the proportional representational principle. The first provided legitimacy for the implementation of the quota. Before 1971, the quota was designed to ameliorate inequalities between East and West Pakistan, and after 1971, inequalities between the Punjab and "less-developed" regions. The latter principle, that of proportional representation, has been invoked both as a goal and as a strategy for effecting the compensatory principle—that is, since there is a loose fit between ethnic groupings and provincial domicile, proportional representation favors less-developed regions or groups.

History of the Quota Policy

A number of factors, the most salient being the disparity of service representation between East and West Pakistan immediately subsequent

11. The Majlis-i-Shura (Federal Council), established in January 1982, is an advisory body wholly appointed by the Chief Martial Law Administrator.

12. Major local government programs discontinued because of lack of effectiveness include (in order of original implementation): Panchayats, Village Panchayats, Basic Democracies, Integrated Rural Development, and the People's Works Programme. Since 1979 the Local Government Programme has been in effect.

to independence in 1947, led to the introduction in 1949 of a federal quota system that applied to candidates seeking competitive entry to officer level ranks in the federal bureaucracy.¹³ This policy provided that 20% of the vacancies in the Central Superior Services were to be filled on the basis of "merit" as a consequence of the Central Superior Services Examination (CSS examination). The remaining 80% of the vacancies were to be filled according to the following formula: East Pakistan 40%; Punjab and Bahawalpur 23%; Karachi 2%; and Sind, Khairpur, North-West Frontier Province and Frontier States and Tribal Areas, Baluchistan, Azad Kashmir, and Kashmir refugees, 15%.¹⁴ As originally designed, the quota had application to approximately one hundred vacancies per year. Its thrust was to "prudently" increase the representation of Bengalis, who were woefully underrepresented at the time of Partition, by in effect creating separate competitive pools in the two wings. Advocates of the quota perceived it as a temporary, but necessary, remedial expedient that would be phased out five to ten years after its introduction.¹⁵ However, the quota grew and prospered in the fertile soil of regional animosities between East and West Pakistan. By 1956, the quota policy, which had started as an administrative directive within the Establishment Division, had grown to the status of a statutory exception to the "nondiscrimination clause" in the first constitution.¹⁶ This status was reiterated in the 1962 Constitution.¹⁷ The quota also became a topic of frequent debate in the National Assembly. Perhaps more important, however, the range of the quota also steadily expanded. By the early 1950s the quota was used for vacancies filled by the Federal Public Service Commission (FPSC) through interview, and it also slowly became applicable to departmental and attached departmental recruitment for posts in the central government. Indeed, by 1971, the quota was in use for approximately 2,000 entry-

13. The first application of the quota system for which written documentation exists occurred in 1950 with application to that year's entering batch of recruits. Pakistan, *Second Report of the Pakistan Public Service Commission for the Period 1st January to 31st December 1949* (Karachi, 1950), p. 7. However, according to members of the 1948 batch of recruits (those who entered service in 1949), the quota was in effect a year earlier, in 1949. The terms of the 1949 quota, slightly different from the 1950 quota, were: 15% merit, 43% East Pakistan, 42% West Pakistan. West Pakistan was further subdivided into Punjab 23%; NWFP, Sind, Baluchistan, and Northern Areas and Tribal Territories (NATT) 17%; and Karachi 2%. Source: Interviews.

14. Ralph Braibanti, "The Higher Bureaucracy of Pakistan," in Braibanti, et al., *Asian Bureaucratic Systems Emergent from the British Imperial Tradition* (Durham: Duke University Press, 1966), p. 265.

15. Interviews with principals.

16. Article 17.

17. Article 240.

level positions in the federal government each year, an increase of over 2000% in 22 years.¹⁸

Despite the phenomenal growth of the quota, which was designed to keep the two wings together, centripetal tendencies became too great, and the resultant civil war left Pakistan dismembered. With the secession of Bangladesh went the original rationale for the quota system. However, instead of disappearing, the system has become increasingly vigorous during the past decade. In 1972-73, immediately following the secession of Bangladesh, the quota was temporarily transformed into a confusing array of six zones and four "provinces."¹⁹ But by August 1973, it emerged in its present form: 10% merit; 50% Punjab (including Islamabad); 7.6% urban Sind (Karachi, Sukkur, and Hyderabad); 11.4% rural Sind (areas in Sind other than those above); 11.5% NWFP; 3.5% Baluchistan; 4% Northern Areas and FATA; and 2% Azad Kashmir.²⁰ Why this particular formula was chosen is open to conjecture. It is true that the percentages roughly correspond to the respective populations of the regions²¹ and that the modified system follows fairly closely the relative weightings of the 1949 formulation, but no public sources indicate that such standards were used in formulating the regional quotas. More important, the broader questions of whether the quota should have been continued in the aftermath of the 1971 war, and if continued, what form it should have taken, seem to have had no formal public consideration, nor were they addressed directly by any of the numerous administrative commissions of the late 1960s and early 1970s.

In any event, following the war Prime Minister Bhutto's economic policies served as a catalyst for the continued expansion of the quota system. Between 1972 and 1975, Bhutto nationalized numerous industries (banking, insurance, heavy machinery, natural resource extraction,

18. 367 candidates entered through direct competition (CSS Examination), 912 entered through Central Public Service Commission direct recruitment (by interview), and approximately 800 were admitted through departmental and attached departmental recruitment. Source: Calculated by author.

19. As of January 1972, the quota was constituted as follows: Zone 1 = Quetta, Kalar, and Lasbela; Zone 2 = Hyderabad and Khairpur Divisions; Zone 3 = Lahore Division and districts of Rawalpindi, Gujrat, Sargodha, Lyallpur, Multan, and Sahiwal; Zone 4 = Bahawalpur Division and districts of Muzaffargarh, Dera Ghazi Kahn, Campbellpur, Jhelum, Mianwali, and Jhang; Zone 5 = Agencies, states and tribal areas, including Added and Special Areas Adjoining Settled Areas; Zone 6 = Peshawar and Dera Ishmail Khan Divisions (excluding Zone 5). Also recruitment was continued separately for the NWFP (Zones 5 and 6), Sind (Zone 2), Punjab and Bahawalpur (Zones 3 and 4), and for Karachi. Percentile bases for such recruitment during 1972-73 were never finalized.

20. Pakistan, Establishment Division, memo no. F 8/9/72 TRV, August 31, 1973.

21. In 1973 approximate populations were: Punjab 55.5%, urban Sind 6.8%, rural Sind 13.8%, Baluchistan 3%, NWFP 12.3%, NATT 3.7%, and Azad Kashmir 4.4%.

rice, cotton, textiles, cement, automobiles, etc.). As a consequence, such industries, formerly in the private sector, became subject to the terms and conditions of federal employment so that recruitment to autonomous and semiautonomous corporations (188 such institutions existed in 1981)²² came under the quota. But the expansion was not restricted solely to federal initiative. During the early 1970s the provinces established their own quotas for provincial recruitment. In Punjab, recruitment to provincial posts became subject to three reservations—Zone 1, developed districts; Zone 2, undeveloped districts; and merit on an all-Punjab basis.²³ In Sind, provincial recruitment followed the federal designation of “rural” and “urban.”²⁴ And in the NWFP, provincial recruitment was divided into five zones, two of which are relatively less developed and three relatively more developed.²⁵ The operation of the provincial quotas is analogous to the operation of the federal quota—that is, recruitment to competitive posts in the provincial civil services, direct recruitment to posts advertised by the provincial public service commissions, departmental recruitment to provincial departments, and recruitment to provincially run public enterprises have been made subject to the relevant quotas.

In the 1970s quotas also came to be applied to admissions to various educational institutions. However, the patterns of relevant quotas differ from province to province and from institution to institution. The Qaid-i-Azam University—the only federal university—admits students on the basis of the federal quota. In the provinces, the dominant pattern is admission of provincially domiciled candidates on the basis of merit with reservations for the children of military personnel and for those domiciled in variously defined “undeveloped” regions. But sometimes admission is based on intraprovincial quotas²⁶ or is determined in an ad

22. Pakistan, *International Symposium on Economic Performance of Public Enterprises* (Lahore: Pakistan Administrative Staff College, 1981).

23. Zone 1 (developed) = Lahore Division and the districts of Rawalpindi, Gujrat, Lyallpur, Multan, and Sahiwal. Zone 2 (less developed) = Bahawalpur Division and the districts of Muzaffargarh, DG Khan, Cambellpur, Jhelum, Mianwali, and Jhang.

24. Urban = Karachi, Hyderabad, and Sukkur. Rural = everywhere else.

25. The “less developed” regions allow age relaxations for relevant candidates. Also attached to the NWFP quota is a 10% provincial reservation for military personnel domiciled in the province.

26. For instance, admission to Sind medical colleges (the Medicine Bachelor, Bachelor Surgery program) is determined by the place of domicile within Sind. Admission to Dow Medical College is restricted to those candidates living in Karachi; Liaquat Medical College is restricted to those candidates domiciled in Hyderabad, Thatta, Eadin, Tharparkar, Nawabshah, and Sanghar; Chandka Medical College is restricted to candidates from Larkana, Sukkur, Shikapur, Khairpur, Jacobabad, and Dadu. Admission to the Medicine Bachelor, Dental Surgery program at Liaquat Medical College (the only program of its type in the Sind) is on an all-Sind basis. Similarly, admission to the Diploma of Associate Engineer degree programs is based on a district quota.

hoc fashion by the institution itself.²⁷

Since 1977 President Zia's regime has also introduced certain innovations into the quota system. The most far reaching has been the establishment of a 10% quota for former military personnel seeking competitive entry to governmental services through the CSS or provincial examinations.²⁸ This, of course, has confused the regional rationale of the quota. Further confusion has been introduced with episodic age relaxations by the FPSC for recruitment from minority communities.²⁹ And very recently a "sons of the soil" argument has been advanced by the government of Baluchistan in its demands to the federal government to establish two quotas within Baluchistan, one for native Baluch and one for Pathan and Punjabi migrants.³⁰

If all this sounds hopelessly complicated, that is correct. Currently, recruitment to virtually every position in the federal and provincial governments is subject to a quota. What started out as a relatively limited program designed to ameliorate the unhappy effects of Bengali underrepresentation in the secretariat, has in three decades been transformed into a program of entitlement for virtually every governmental vacancy.

The Operation of the System

We turn our attention now to three sets of questions associated with the operation of the quota system: (1) How is the quota system applied to the selection process of recruits at the various levels of operation and how

27. For instance, Gomal University (NWFP) admits candidates for graduate degrees on the basis of ten different categories—six intraprovincial and four based on special attributes of candidates. Similarly, the Lady Health Visitor Course at the Public Health Nursing School, Lahore, gives preference to "widows" and "destitutes."

The admission of Baluch candidates to educational institutions has involved direct interprovincial agreements establishing reservations for Baluch nations in non-Baluch institutions. For instance, in 1982 116 seats in various medical colleges, 88 seats in various engineering colleges and universities, 15 seats in the College of Home Economics in Karachi, 7 seats in the National College of Arts, Lahore, 50 seats in cadet colleges, 7 seats in the College of Dentistry, Karachi, and 8 seats in various MBA programs were reserved for Baluch students in institutions located outside their home province. Source: Government of Baluchistan, Services and General Administration Department.

28. Regularized in the *Federal Public Service Commission Act*, February 1980.

29. The standard employed by the FPSC since 1981 is: "3 year relaxation to candidates belonging to scheduled castes, Buddhist community, recognized tribes of the tribal area, Azad Kashmir, Northern Areas/Districts of Gilgit, Ghizar, Skardu, and Diamir."

30. In the summer of 1982, the government of Baluchistan called for the modification of the federal quota system as it applies to Baluchistan. The demands include dichotomizing recruitment into two zones, Zone A and Zone B. Zone A would encompass the Tribal Areas of Baluchistan (over 98% of the land area) and Zone B would encompass the Settled Areas, the cities—a pattern similar to that in effect in the Sind. Also, demands have been voiced to establish separate quotas for Baluchi and non-Baluchi speakers in each zone.

exactly and enthusiastically is it implemented? (2) Is the bureaucracy of Pakistan regionally representative and do such levels of representation differ in regard to rank or type of governmental service? (3) How does the quota system interact with the bureaucratic system of Pakistan and what are the system's fixed costs?

HOW DOES THE SELECTION PROCESS WORK?

At the federal level the quota is applied to the selection process in three distinct patterns. *Pattern 1* applies to competitive entry through the Central Superior Services Examination administered by the FPSC. In this pattern the quota is applied both to entry-level competition and to the competition for entry into occupational cadres. After the number of vacancies is determined for a given year by the Establishment Division, an open competition is held in which candidates from all domiciles participate. Ten percent of such vacancies are filled by candidates who score highest on the exam regardless of domicile (the merit quota). The remainder are filled by the respective merit-rank within domiciles. For example, if in a particular year there are one hundred vacancies, 10 will be filled on the basis of overall merit, 50 will be filled from the most meritorious Punjabis, 19 from the meritorious Sindhis, etc. (as per the federal quota cited earlier). Vacancies in occupational cadres are similarly allocated on the basis of the quota, the preferences of individual candidates, and exam scores. This pattern applies to the recruitment for approximately 250 vacancies per year.³¹

Pattern 2 is applicable to the selection of candidates who enter on the basis of an interview, either administered by the FPSC or directly by the ministry or department concerned. Here posts are advertised or listed against regional vacancies. For example, if the Ministry of Defense needs to recruit communication engineers, the ministry sets domicile requirements (which should be based on existing regional balances within the ministry) for the relevant vacancies. In an illustrative case in 1976, the ministry had to fill fourteen vacancies, and designated that seven should come from the Punjab, four from the NWFP, and three from rural Sind. Accordingly, the FPSC interviewed candidates only from such domiciles and made appointments on the basis of these interviews.³² This pattern applies to the recruitment of approximately 3,000 candidates per year.

Pattern 3 applies primarily to the recruitment of individuals to autonomous corporations and public enterprises. This pattern requires the candidates to submit domicile certificates to the hiring authorities (rele-

31. Figures from 1978-81.

32. Example drawn from Pakistan, FPSC, *Annual Report for the Year 1976* (Karachi, 1978).

vant personnel boards), but the domicile limits are typically not binding on the actual hiring practices of such boards. However, considerations of regional balance often play a significant, if informal, role in hiring decisions. In this pattern domicile serves more as a target than as a quota.

The operation of provincial quotas follows analogous patterns: Selection to the provincial civil services conforms to the first pattern; recruitment to other provincial posts the second pattern; and recruitment to provincially administered public enterprises the third pattern. Selection for educational institutions (predominantly under provincial control) is determined by the independent decisions of college and university personnel boards in terms of their relevant institutional quotas.

Regardless of the relevant pattern the essential document that must be presented by all candidates to establish regional status is the so-called domicile certificate. An individual's domicile is determined by several factors, including father's domicile, place of principal residence, place of schooling, and place of prior recruitment. In most cases the determination of domicile is unambiguous; where it is in doubt it is determined by relevant bureaucratic authorities, buttressed by duly authorized witnesses, and/or in rare cases by court proceedings. The stakes of domicile declaration are high, and the motivation for tampering with or misrepresenting one's domicile is accordingly very much present. However, despite allegations in the press (primarily by disaffected Punjabis), instances of blatant cheating on domicile certificates are infrequent.³³ Even in the absence of overt cheating, there still remains the perception in some circles that candidates from less-favored regions are not "sons of the relevant soil." That is, they are immigrants, however defined, to their respective domiciles. Though I believe that this argument has little merit, unfortunately there is no available information to test this hypothesis.

DOES THE QUOTA WORK?

To answer this question in an ideal manner requires information concerning the composition of the bureaucracy, given the operation of the quota system, and comparable information concerning the hypothetical composition of the bureaucracy in its absence. Complete data concerning the former does not exist, and information on the latter is beset with numerous imponderables. However, one can informally sidestep these difficulties by comparing representation in different sectors of the federal bureaucracy over time. Table 1 presents such an approach, and reveals two significant patterns. First, urban Sind and the Punjab, when compared with quota percentages, are overrepresented in the bureaucracy, while

33. One inequitable practice, discontinued in 1980, was to automatically assign women candidates to the domiciles of their fathers.

TABLE 1 Regional Representation in the Federal Bureaucracy of Pakistan

Region	Quota	Secretariat (1980)		Attached Dept. (1974)		Autonomous Corps. (1974)	
		Grades 16-22	Grades 20-22	Grades 16-22	Grades 20-22	Base salary more than Rs. 1000 per month	
	%						
Punjab	50	5,839 (55.1)	325 (57.0)	4,398 (62.1)	130 (54.9)	6,810 (41.3)	
Urban Sind	7.6	2,461 (23.2)	124 (21.8)	1,780 (25.1)	68 (28.7)	7,721 (46.8)	
Rural Sind	11.4	525 (5.0)	21 (3.7)	185 (2.6)	7 (3.0)	592 (3.6)	
NWFP	11.5	1,189 (11.2)	71 (12.5)	522 (7.8)	28 (11.8)	1,025 (6.2)	
Baluchistan	3.5	325 (3.1)	23 (4.0)	95 (1.3)	2 (0.8)	194 (1.2)	
Northern Areas	4	208 (2.0)	2 (0.4)	56 (0.8)	1 (0.4)	70 (0.4)	
Azad Kashmir	2	58 (0.5)	4 (0.7)	44 (0.6)	1 (0.4)	89 (0.5)	

SOURCE: Compiled by the author. Secretariat: Pakistan, *Report on the Sixth Triennial Census of Federal Government Civil Servants as on 1st January, 1980* (Islamabad, 1981), pp. 95-101. Attached Departments: Pakistan, *Report on Distribution of Federal Civil Servants Employed in Attached Departments and Subordinate Offices By Grade, . . .* (Islamabad, 1976, cyclostyled). Autonomous Corporations: Pakistan, *Provisional Data on Distribution of Employees of Autonomous Organizations and Taken-Over Establishments . . .* (Islamabad, 1976, cyclostyled).

NOTE: Numbers in parentheses refer to percentages within columns.

the other provinces are underrepresented. Second, and perhaps more interesting, is the finding that the secretariat, which has been subject to the quota for some thirty years, is more representative than are attached departments, subject to the quota for approximately ten years, and both are more representative than autonomous corporations, which at the time of my data (1974) were not subject to the quota. That is, the quota has made the bureaucracy demonstrably more representative, or alternatively, the quota has lessened the overrepresentation of urban Sind and perhaps the Punjab, while increasing the representation of other provinces.

A more detailed analysis of posts subject to the competitive examination is possible. As I have shown elsewhere,³⁴ candidates from the Punjab consistently score higher on the CSS examination than candidates from other provinces. Therefore, in the absence of the quota system, it can be demonstrated that Punjabis would dominate the bureaucratic system to an extent far greater than is currently the case. Specifically, it can be demonstrated that such domination would be particularly severe in the case of selection to the prestigious All-Pakistan Unified Grades.³⁵

Therefore, all available evidence points to the fact that the quota system has made the bureaucracy more regionally representative. Indeed, though there is some slippage, the ostensible goal of the quota—to increase regional equality in the bureaucracy—seems to have been addressed by the operation of the system. And at least at the higher levels of the bureaucracy that have been subject to the quota system for three decades, the fit between the quota's target and actual representation in the bureaucracy is close. That is, the quota works.

THE SYSTEM'S FIXED COSTS

But if the operation of the quota has been successful in promoting regional equality, it has also resulted in several unhappy consequences. The first and most often mentioned cost concerns the systematic frustration of the merit principle of selection for bureaucratic posts. For posts subject to competition, some candidates are recruited into the bureaucracy who would not be eligible in the absence of the quota, and others are denied positions for which they would be eligible on the sole basis of merit. For posts subject to interview, prospective candidates with requisite qualifications for particular posts are systematically excluded from competition because of regional considerations. In both instances the quota selects candidates who may not be the "best" available for particu-

34. Charles H. Kennedy, "Context, Content and Implementation of Bhutto's Administrative Reforms" (Ph.D. thesis, Duke University, 1979), pp. 188–223.

35. *Ibid.*, p. 212.



lar jobs. It can be argued that such a selection policy makes the bureaucracy of Pakistan, seldom praised for its efficiency, even less efficient.

The process of implementing the quota also often results in significant delays in filling vacant posts. For example, if a post falls vacant in a federal department subject to FPSC recruitment rules, the notification of the vacancy is passed on to the FPSC both for advertisement and for the assignment of the quota. The post is then listed, candidates with the necessary qualifications and domicile are interviewed, and ideally an individual is recommended for appointment. If all runs smoothly, this process takes approximately six months. However, if finding an individual with both the requisite qualifications and domicile certificate proves difficult, as often happens, the process can be delayed considerably. It is not unusual for a case of this type to drag on for two to three years, with the post left vacant or filled on an ad hoc basis by the relevant department. It is also not uncommon for vacancies to go unfilled because no candidates with the requisite qualifications and domicile apply for the given job. In recent years this latter phenomenon has occurred with increasing frequency, particularly for technical vacancies.³⁶ Also, since 1977 the FPSC has had trouble filling vacancies through the competitive examination process. Indeed, in 1982 the FPSC was forced to conduct a special competitive examination limited to candidates from urban Sind, rural Sind, Baluchistan, the Northern Areas, and Azad Kashmir to address the shortfall.³⁷

Third, the complexities of the quota may discourage prospective candidates, particularly from urban areas, from standing for the competitive examination and/or from seeking other governmental employment. The opportunity costs of participating in the recruitment process to the Central Superior Services are great. A candidate must first prepare and stand for the examination, then wait for the results before knowing whether one is successful or, often more important, whether one has gained entry to a preferred occupational grouping. This process takes anywhere from fifteen to eighteen months.³⁸ Such costs are compounded by the uncertainty of the operation of the quota. From the perspective of

36. Pakistan, FPSC, *Annual Report*, 1975, 1976, 1977, 1978, 1979, 1980, 1981 (Karachi).

37. There were 73 vacancies in all. Urban Sind 21, rural Sind 36, Baluchistan 5, Northern Areas 9, and Azad Kashmir 2. For the special exam, age limits were lifted from 25 to 35 years, and Third Division candidates, normally barred from participation in the CSS, were allowed to compete. The results of the exam had not been announced by October 1982, although 2888 candidates took the exam. Source: Interviews.

38. From 1974 to 1979, assignment to occupational groups was delayed from nine months to one year longer until after the Final Passing Out Examination from the program of joint training at the Academy for Administrative Training.

an individual candidate, there are two avenues to assure assignment to one's preferred occupational grouping: (1) scoring in the top 10% of the successful recruits (i.e., within the merit range), or (2) scoring relatively high in comparison with one's regional grouping. However, it is impossible to assess accurately the probabilities of either of these outcomes given the limited amount of information available to candidates. Until group assignment takes place, candidates do not know how they stand in relation to other candidates. Similarly, as mentioned above, recruitment by interview is also a slow and uncertain process. Given such considerations, candidates are in effect encouraged to seek alternative careers.

Of course, the likelihood of finding satisfactory alternative employment is a function of the availability of such employment. And since relatively greater numbers of such jobs are available in urban areas, if our hypothesis is correct, it follows that there would be a tendency for the number of candidates standing for the competitive examination from urban areas to decrease. Our data confirm this expectation. The number from the Punjab has declined 22% and from urban Sind 39% over the period 1969-74, while there has been no comparable decrease in the number standing from other provinces.³⁹ Before 1974 such urban candidates typically sought employment in corporations based in urban areas, particularly Karachi—hence the overrepresentation of urban Sind in autonomous corporations as demonstrated in Table 1. Since 1974, when the quota was applied to the nationalized autonomous corporations, such channels have been closed and the resultant glut of prospective urban employees has swelled the ranks of those seeking employment in the Middle East. Indeed, perhaps not unexpectedly, demands for the application of regional quotas for granting exit visas to Middle Eastern states have recently surfaced.⁴⁰

Finally, the quota system, though demonstrably increasing provincial representativeness in the bureaucracy, has also reinforced invidious distinctions between provinces. The current system's reliance on a small merit quota, coupled with the widely publicized and oft-repeated theme of provincial-based distinctions of performance on the examinations or of distinctions in relevant qualifications or levels of skill, leads to the perception that job seekers from the more-favored provinces bear the brunt of the government's attempt to equalize access to the bureaucracy. Indeed, hardly a day passes when one of the major Pakistani dailies does not run an editorial by a disaffected individual, usually a Punjabi, calling for greater reliance on merit in some phase of federal personnel policy, and implicitly claiming reverse discrimination. Conversely, individuals from

39. See C. H. Kennedy, "Context, Content," p. 214.

40. Interviews, 1982.

less-favored provinces must live with the phenomenon that they are perceived as less qualified than their counterparts from the Punjab. Such distinctions are given added credence by the quota's implicit paternalism, and reinforce the already formidable ethnic, cultural, racial, and linguistic cleavages between provinces. Indeed, the very existence of the quota provides statutory verification of the hypothesis that some regions or peoples are superior or inferior to others. Such perceptions are the stuff of secessionist movements.

Lessons

It may be dangerous to attempt to draw lessons from the admittedly unique particulars of Pakistan's experience with policies of ethnic preference. However, I cautiously maintain that three themes relevant to the Pakistani experience are likely to be replicated in any state adopting similar policies.⁴¹

First, *policies of preference tend to spread*. The quota system in Pakistan had relatively limited origins, with an initial application to barely one hundred vacancies per year. But once established, the logic of its spread became irresistible. If the quota was necessary to redress inequality of representation through the competitive examination process for bureaucratic posts, was it not also necessary for it to be applied to the arguably more arbitrary selection of candidates through interview? And, if the quota was necessary to redress inequalities of qualifications in central governmental departments, why was it not also applicable to provincial governmental posts? And finally, if it was necessary to redress distinctions in qualifications, was it not also necessary to get at the fount of such inequalities—the educational institutions themselves?

The second lesson is that *policies of preference are hard to terminate*. The quota system was introduced in Pakistan with the expectation by its framers that the need for its operation would end five years after its commencement. And since its introduction, virtually every major administrative report, numerous service association demands, and innumerable editorials have called for the quota's dismantlement. But even modest proposals calling for marginal modifications in the terms of the quota's operation have been ignored with impunity by successive governments.⁴² The reason, of course, is that reforming the quota is very dangerous to

41. Cf. Myron Weiner, Mary Katzenstein, and K. V. Narayana Rao, *India's Preferential Policies* (Chicago: University of Chicago Press, 1982).

42. For example, the Pay and Services Commission of 1978 examined the question of terminating the quota and recommended a modification calling for 20% merit, instead of the current quota of 10%. The government has not accepted the proposal. The author testified before this commission on this issue in 1978.

the potential reformers. Any modification of the quota terms would likely be interpreted as favoring some groups at the expense of others, and would be attributed to the ulterior motives of clever politicians. For this reason, prudent policy makers in Pakistan have given the quota a wide berth.

The third lesson may be the most important. No matter how thoroughly implemented, *policies of preference have fixed costs*. The more obvious costs include the effect of abandoning the merit principle on administrative efficiency, and the attendant procedural entanglements associated with implementing a quota policy. Pakistan's system has suffered enormously from both types of costs. Hypothetically, one could imagine a set of policies that minimizes such costs, but one cannot finesse the cost of the inevitable tradeoff between the goal of equality of outcome between groups and the consequences of inequitable laws that is provoked by the introduction of a quota system. Pakistan's quota system works to increase equality of representation between provinces, but coincidentally it also exacerbates perceptions of inequities between provinces. Lurking in the shadows of all quota policies is the specter of reverse discrimination, and perhaps more important, the cancer of invidious comparisons of superiority or inferiority between regions or groups that such considerations imply.

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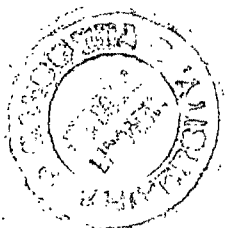


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WHY INDIA GOES TO MOSCOW FOR ARMS

S. Nihal Singh

India's recent decision to scrap plans for licensed production of 110 of the French Mirage-combat plane is an indication of the strength of the Indo-Soviet military relationship and the economic and political compulsions that go into it. The decision, yet to be announced, also pinpoints the deficiencies in India's arms technology.

The Mirage decision shows the limits of plans to diversify and reduce Indian dependence on Soviet arms. The USSR has been India's main arms supplier since the mid-1960s. Diversification is a second-best option; self-reliance in arms has been a credo with India's leaders almost since independence in 1947.

For a third world country, India's strides in arms manufacture have been impressive. It has one of the most sophisticated and advanced military-industrial bases in the developing world. India produces under license various versions of the Soviet supersonic MiG-21 fighter, including its power plant; Leander-class frigates; and weapons, including anti-tank and antiaircraft guns, mortars, rockets, and mines. India is also producing the Ishapore semiautomatic rifle, its own medium tank, the Vijayanta, and the indigenously developed Marut fighter, now supersonic with a speed of 1.3 Mach.

But unlike atomic energy and space, where notable progress has been made, defense technology has remained grounded in crucial areas. This is not for want of trying. India started developing its own supersonic fighter back in the 1950s, but it was stumped for a power plant. After many experiments and an agreement with Egypt for developing a suitable engine, which came to nothing, the Soviets agreed in 1962 to modify an engine to fit the airframe of the Indian HF-24. But India ultimately used the British Orpheus 703 engine license-produced domestically, though its performance was lower than specified by the Indian Air Force.

S. Nihal Singh, former editor of *The Statesman* of Calcutta and *The Indian Express*, is a Senior Associate of the Carnegie Endowment for International Peace.

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There are many reasons for Indian disappointments. There is no comparable civil structure in the field of high technology. The money spent on research and development is less than 2.5% of the defense budget, even after recent increases. Above all, there has been the failure to produce a leader of stature in defense technology.

The most comprehensive statement on defense strategy in the 1980s was made by C. Subramaniam, then defense minister, to the National Defence College in New Delhi on October 29, 1979. He said the Indian armed forces would need to acquire greater mobility and firepower in relation to Pakistan and China. There would be a generational change of weapons, and hence their modernization and improvement.

The Mirage decision has set off a debate among India's policy makers and a small group of defense analysts. India's leading defense analyst, K. Subrahmanyam, director of the government-supported Institute for Defence Studies and Analyses, makes the point that since the country has to rely on the Soviets for the main battle tank and the main fighter aircraft, diversification is of peripheral importance. In his words, "We should pick and choose."

The Indian decision to buy the Mirage-2000 was an answer to the U.S. agreement to supply India's adversary Pakistan with F-16 tactical aircraft, although discussions on the purchase of the French plane were initiated as early as 1979. The U.S. move was part of a \$3.2 billion six-year plan (half of it for economic assistance) to build Pakistan militarily in the wake of the Soviet invasion of Afghanistan in December 1979.

The F-16 decision was made by President Carter although the Pakistanis turned down the two-year \$400 million package as being too little and too short term. President Reagan's package was much more attractive, and the Pakistanis made it clear that the F-16 was a symbol of the new U.S. commitment to a "front-line" state. For India this created both a psychological and defense problem. The reach of the F-16 would perhaps cover up to 60% of Indian territory, threatening defense and economic installations. The Mirage-2000 was high on the list of Indian options—apart from the value of diversifying Indian sources of arms supplies, a plus factor for the Janata government in particular. The Soviets, in the Indian view, did not have a matching aircraft.

The Soviet Union had earlier lost out to the Anglo-French Jaguar deep-penetration strike aircraft during the Janata coalition under Prime Minister Morarji Desai. The Indian Air Force wanted an aircraft with a longer range than the MiG-23 swing-wing version then offered. After the Jaguar deal—on the order of \$2.5 billion and the largest made by India with any country until then—the Air Force acquired the MiG-23BN for a ground combat role.

In an effort to dissuade India from buying the Mirage-2000, a general-studded Soviet team led by Defense Minister Ustinov came to India in March 1982 with a reported offer of additional MiG-25s and licensed Indian production of MiG-27 ground attack fighters. But the psychological need to counter the F-16, which had been propagated in India as the world's wonder plane, and a deliberate attempt to buttress the Indo-French political relationship, led New Delhi to resist Soviet blandishments. The successful Israeli attack on Iraqi nuclear installations with an F-16 had heightened Indian resolve to acquire the Mirage-2000.

The necessity of self-reliance in arms was particularly brought home to India after the U.S. embargo on arms to the subcontinent during the Kashmir war in 1965, although this embargo hit Pakistan particularly hard. The Soviets were very upset by India's Mirage decision. The chiefs of the Indian Army and Navy were told by Moscow, for instance, that if their country could pay hard cash for expensive planes—a Mirage-2000 is estimated to cost between \$18 million and \$20 million—why should it want generous Soviet credit terms of seventeen years' payment at 2.5% interest? Actually, India got rather good terms in the Mirage deal: 10% deposit on the first forty planes and government-backed nine-year credit at 9.2% interest with the promise of uninterrupted supplies even in a war situation.

The Soviets made no secret of their unhappiness. But loath to lose their biggest arms market in the developing world, they did more than complain. During Defence Minister R. Venkataraman's visit to Moscow in June 1983, he was shown sketches of the Soviet futuristic plane under development, the MiG-29, renamed MiG-31.¹ The Soviets told the Indian team that the new plane would be better than the American F-16 and F-15. They also offered updated technology for T-72 and T-80 tanks and new submarines.

The MiG-31 is still in the development stage, but the Soviets have promised to give India the plane and subsequently a production license. Indeed, they had seldom been as forthcoming. Their earlier answers to Indian queries about their future military aircraft development had been vague in the extreme.

An element of exploitation of East-West competition has never been absent from India's practice of nonalignment. The tempting Soviet offer was even more attractive for economic and practical reasons. The costs of retooling India's aircraft factories for the Mirage-2000 would be as-

1. *Jane's All The World's Aircraft 1983-84* (Boston, 1983), distinguishes between the MiG-31, known as Foxhound by NATO, and the MiG-29, known as Fulcrum, probably for the latter's dual roles as an air superiority fighter and a ground attack aircraft.

tronomical. Since the Soviets believe in modular development of new planes and weapons, the existing Indian production lines would merely have to be adapted for a new generation of MiGs. Besides, the Soviets accept payment in rupees, essentially for the export of Indian goods.

A key element in the Indian decision to accept the Soviet MiG-31 offer was the realization that an Indian-produced supersonic aircraft for the 1990s would simply not be available. With much regret, the goal of self-reliance in supersonic fighter planes has been put off until the next century. The story of the Mirage-2000 vs. the MiG-31 is part of the larger story of the Indo-Soviet military relationship and the compulsions that brought it into being. The Soviet Union today supplies 70% of India's arms imports.

At the time of Indian independence in August 1947, Indian armed forces were almost totally British equipped. This relationship with the former colonial power continued for some years. Despite the war with Pakistan in 1947-48 over Kashmir, the Indian armed forces remained largely neglected. The pacifism and nonalignment of Jawaharlal Nehru, the builder of modern India and its prime minister for seventeen years, meant that the modernization and strengthening of the armed forces was a low priority.

Between fiscal years 1951-52 and 1961-62, Indian defense spending never rose above 2% of Gross National Product. As of 1953, the Indian Army consisted of between 325,000 and 350,000 personnel of all categories. The size and deployment of the Army remained fairly static until 1956 when its commitments were expanded to control the rebellious Nagas in the northeast.

There was a measure of antipathy between the Army, the dominant wing of the armed forces, and the new rulers. The bulk of the Army had remained loyal to the British during the fight for independence. Interestingly, it was the fledgling Navy that mutinied against the British overlords in 1946, a step that hastened the departure of the war-exhausted British.

In any case, Nehru was loath to pour much money into modernizing the armed forces at the cost of economic development. During those years Army requests were granted to the extent of one-tenth of what was asked. Nehru had launched his Five-Year Plans. Although realizing the dangers of an expansionist China whenever it had been united and strong, he hoped to kill it with kindness.

Nehru's gamble with China failed. The Sino-Indian border war in the fall of 1962 ended in the debacle of an unprepared Indian Army. In 1962, the Indian Army had three commands embracing 550,000 personnel, and the Navy one Majestic-class aircraft carrier, two light cruisers,

three destroyers, frigates and minesweepers of assorted classes, and a fleet requirements unit. The Air Force was equipped with four squadrons of *Mysteres* and two of *Gnats*, six squadrons of *Hunters*, two of *Ouagans*, and one of *Vampires*, three or four squadrons of light bombers, one squadron of reconnaissance *Canberras*, six squadrons of transport aircraft, and units of helicopters and trainers.

Even before the 1962 war, Pakistan's agreement to join the U.S.-sponsored Baghdad Pact (later renamed CENTO) had posed a new danger to India. To an extent, India sought to match Pakistani acquisitions by buying British and French planes.

The U.S. introduced the first supersonic fighter planes—F-104 *Starfighters*—into the subcontinent to reward Pakistan and in pursuance of a policy of balancing nonaligned India's greater capability. These planes—and the nonsupersonic F-86 *Sabres*—were better than anything India possessed. President Eisenhower approved the arms agreement with Pakistan on February 25, 1954. According to the then Indian foreign secretary, S. Dutt, the question of securing Soviet arms was considered by Nehru from the end of 1955. Worried by the incidents along the Sino-Indian border in the late 1950s, India made a request in 1960 for Soviet helicopters and supply-dropping planes. The Soviets reacted positively. This was the beginning of the Indo-Soviet military relationship, and purchases then totaled the modest figure of \$31.5 million. After the Sino-Indian border war, Khrushchev is reported to have told Indian Ambassador T. N. Kaul on December 12, 1962, that the Soviet Union would not stand idly by but give material and political support to India. In August 1962, the Soviet Union had agreed to set up a plant for the production of the MiG-21, which China did not then possess. India received the first MiG-21s in 1964.

The initial Indian approach to Moscow for arms was to counter U.S. policy toward the subcontinent, and also symbolically to have the Soviet Union underwrite Indian defense against China. India's acerbic anti-West defense minister, Krishna Menon, used his considerable political clout to hasten the military relationship with Moscow. There also emerged another element of compulsion in going to Moscow. India's requests to secure F-104 and C-130 transports were rebuffed by Washington.

Both the U.S. and Britain, it is true, came promptly to India's help during the Sino-Indian border war with emergency military assistance. Subsequent Indian requests lost their urgency because of the unilateral Chinese withdrawal, and a longer-term military assistance package was effectively sabotaged by circumstances and a Pakistan-inclined Pentagon. In all, India received \$92 million worth of military equipment from the

U.S. in the 1962-65 period, primarily air defense radar and communications and mountain warfare equipment.

There was an interruption of Soviet arms supplies during the 1962 war. But by May 1964 the total supply obtained since the Chinese invasion amounted to \$130 million. Negotiations in 1963 and early 1964 led to Soviet agreement for delivery of AN-12 cargo planes and air-to-air missiles, and the establishment of an SA-2 antiaircraft missile complex.

The Soviet agreement of 1962 to let India manufacture the MiG-21 predated the war and was one of principle. Was there hesitation in Moscow because of the repercussions of this agreement on its relations with China, and did the Soviet leaders have doubts about Indian capability to produce a supersonic fighter? Indian experts say no; the doubts rather were on the Indian side, with a committee under the industrialist J. R. D. Tata recommending in 1963 that India scrap the MiG project.

India's going to the Soviet Union for supersonic fighters set alarm bells ringing in Washington and London. President Kennedy and British Prime Minister Harold Macmillan conferred together. The result was a counter offer of the British Lightning at half its market price, \$750,000 apiece (a figure doubted by some Indian experts), and its possible licensed production.

India's decision to remain loyal to the MiG agreement was partly determined by political factors. China was a major Indian preoccupation, and Moscow's agreement to let India produce the MiGs was a valuable symbol of Soviet support against China. Besides, there remained doubts over Western, particularly U.S., willingness to permit India to be a strong military power. Moscow seemed to be the only arms supplier sympathetic to India's philosophy of a self-sufficient military establishment.

The Soviets, however, refused to modify MiG fighters by adding all-weather and night capabilities to meet Indian requirements for an Indian interceptor at the Himalayan border. (Indian officials assert that this was because they were not in a position to do so.) Some time during the summer of 1964 the Soviets had resolved their doubts about the MiG deal, having given up hopes of doing business with China. They also perhaps wanted to signify their continuing support to India after Nehru's death in May 1964.

In September 1964, the Soviets gave India military credits for 44 MiG-21s, 20 helicopters, and 70 PT-76 tanks, among other items. More significantly, they made technical and financial arrangements for MiG production and agreed to improve MiG capabilities for Indian requirements. India's decision on the major arms deal with Moscow was made after repeated rebuffs from Western sources. Indian inquiries for a

(suitable power plant for the HF-24 had led to interest in the MiG-21 in 1962.

The Sino-Indian border war had changed budgetary allocations for defense. There was widespread support and sympathy for the neglected Army. Defense allocations were doubled in 1963 to 4.5% of GNP primarily to expand and modernize the Army. But even after the 1965 war with Pakistan, defense expenditure was maintained at around 3.5% of GNP.

In 1965, India and Pakistan again went to war over Kashmir. The U.S. embargoed arms to the subcontinent, but Moscow did not stop arms supplies to India during the fighting. In fact, the Soviet Union agreed to give India submarines, destroyer escorts, and patrol craft. This was after the U.S. proved unresponsive to Indian requests for three destroyers.

With arms supplies shut off by the U.S., its principal supplier, Pakistan went to China. Pakistan received from Beijing 200 medium tanks, several squadrons of MiG-19s, and some IL-28 bombers. There was, of course, the covert arms market, and Washington winked at a deal West Germany made with Iran to sell ninety F-86s destined for Pakistan while the embargo was on.

A major factor in the growing entente between India and the Soviet Union was, on both sides, the China factor. But the deepening relationship between Pakistan and China apparently alarmed the Soviets. In the mid-1960s, Moscow adopted a policy of befriending Pakistan, secure in the belief that the Indo-Soviet relationship was sufficiently strong. The Soviets struck a neutral pose in the skirmishes between India and Pakistan in April and May 1965 along the marshes of the Rann of Kutch. They adopted a similar posture in the Kashmir war in August that year, much to the consternation of India. Moscow's twin objective was to wean Pakistan away from China and also to reduce U.S. influence there, eroded as it was by the arms embargo and the earlier military assistance to India.

The Soviets took their new stance to its logical conclusion by donning the mantle of the peacemaker. They hosted an Indo-Pakistani conference at the Soviet Central Asian city of Tashkent in January 1966. A cease-fire had already been arranged through the U.N. Security Council, but the task of making peace was accomplished by a considerable tour de force by Premier Kosygin.

The "spirit of Tashkent" between India and Pakistan did not last long, but the Soviets persevered. The Pakistanis understandably demanded a token of Moscow's interest in their welfare in the form of arms. The Soviets had supplied Pakistan with 12 MI-6 helicopters and other equipment in the second half of 1967. To allay Indian fears, they con-

cluded negotiations with India for delivery of about one hundred SU-7 fighter bombers. The total Soviet military credits to India, including the new deal, were estimated at between \$600 million and \$700 million.

In July 1968 a Soviet-Pakistani arms agreement was announced. Despite Moscow's assurance of continuing friendship with India, the reaction in New Delhi and elsewhere in the country was immediate. Riots occurred outside the Soviet embassy in New Delhi, and the idea of an Indo-Soviet treaty of peace and friendship was first broached by the Soviets at that time—in 1968. The Soviet Union made no new arms deals with Pakistan from 1970 and informed President Giri of this decision in September of that year during his nine-day state visit.

In 1969 the Soviets were willing to help Pakistan build a naval base, primarily for submarines, at Gwadar, fifty miles east of the Pakistan-Iran border. An Indian assumption was that this was due to India's refusal to give the Soviets base facilities. The Pakistan project was ultimately dropped. The Indo-Soviet treaty, signed in August 1971, had no direct relationship to the supply of Soviet arms, but shipments were considerably speeded up just before the next India-Pakistan war at the end of 1971, this time over Bangladesh.

New interest in the Indian Navy was, meanwhile, burgeoning. Traditionally, the Navy was the most neglected of India's three services. The legacy the British left was totally army centered. Besides, India's main adversary remained Pakistan, despite the border war with China, and India's decision makers, preponderantly hailing from the North, had little empathy with the demands of the Navy, the most expensive service to equip, when money was scarce.

The Navy's growth began in 1966 after the Indo-Pakistani war of the previous year. It was based on a wider perspective of its role, ranging from coastal defense to safeguarding sea lanes, interdiction of hostile shipping, and protection of economic installations. After drawing a blank in the West, India negotiated with the Soviet Union for four new 2,300-ton F-class submarines, patrol boats (including Osa and Komar missile-firing classes), and other rocket-firing types.

Although the acquisition of an aircraft carrier had proved a controversial decision, the Navy continued to gather parliamentary support for a wider role. It won its spurs in the 1971 war with Pakistan by bottling up the Pakistani Navy in Karachi and cutting off the escape route in the Bay of Bengal for Pakistani soldiers beleaguered in East Pakistan. The Indian naval actions around Karachi surprised the Soviets and possibly annoyed them because armament essentially meant for defense was used offensively by the Indian Navy.

The steady acquisition of Soviet ships, in addition to the Leander-class

frigates India has been making under a British license, has meant that the Navy is the Indian service most dependent on Soviet supplies. The Indian submarine fleet, for instance, is entirely Soviet equipped. Indeed, in recent years, the first major breach in the Soviet-supported service was the 1981 agreement with West Germany for the supply of two Type-1500 submarines and for assembling two more of them in Bombay.

The deal with West Germany was not without raising a controversy. But the issue was settled in favor of the West because the Navy was very conscious of its preponderant reliance on the Soviets. Besides, the Navy wanted a quieter submarine, and the Soviets did not have anything suitable to offer, presumably because they were concentrating on nuclear-powered submarines. There was no Soviet competition for equipping the lone aircraft carrier *Vikrant* with British Harrier jump jets and advanced Sea King helicopters.

In recent years, it has not always been Western reluctance to sell that is responsible for India's acquiring Soviet weapons. The conservative government of Prime Minister Morarji Desai vowed to bring back "genuine nonalignment" to India's policy and signed the Jaguar deal with Britain in September 1978. It was the same government that negotiated the \$1.6 billion arms deal with the Soviets. Moscow had offered India MiG-25s for the first time during Janata rule. An agreement with the Soviets was signed by Mrs. Gandhi's government, which returned to power in January 1980, but it had been finalized by the Janata government in October the previous year. Mrs. Gandhi's contribution was to obtain an extra two years in the credit arrangement terms.

The Jaguar deal had been under discussion by Mrs. Gandhi before she lost power in 1977, although she was later to attack it. One of the contenders for the Deep Penetration Strike Aircraft (DPSA) was the Swedish SAAB-37 Wiggan, which carried an American Pratt and Whitney engine. But this had been ruled out because of U.S. refusal to authorize its sale to India on the ground that a new DPSA would be a destabilizing factor on the subcontinent.

Except for brief periods, India has been perennially short of foreign currency, and there is obvious attraction in paying for arms in rupees. Although Soviet arms are often not as sophisticated as their Western equivalents, they are easy to maintain. After the 1965 experience in particular, the reliable supply of spare parts is an important Indian consideration.

Economic factors as well as predictability and sturdiness led India in 1980 to settle for the Soviet T-72 as the main battle tank, in preference to a Western tank that would have been three times as expensive. The Indian-produced Vijayanta needed to be replaced and since an Indian

main battle tank was not ready, at any rate with the specifications the Army wanted, the choice fell on the T-72. If the end result is "a Heinz Army, all 57 varieties of it," as an Indian general once called it, it is a fact of life India must live with.

Initially, Indian anti-aircraft guns were from Sweden, trucks from West Germany, light vehicles from Japan, mortars, missiles, and helicopters from France, lightweight fighters, medium transport aircraft, carbines, tanks, and frigates from Britain, and recoilless guns, VHF equipment, and aircraft accessories from the U.S.

Transfer of technology for any major weapon system or other acquisition is an article of faith with India. But the Indo-Soviet relationship has been far from trouble-free on this score. The Soviets are hard bargainers and have often been parsimonious in supplying spare parts and all stages of technology. After the 1971 Indo-Pakistani war, the Soviets resisted Indian requests for a deep penetration aircraft, causing heartburn in New Delhi.

There have been complaints about inadequacies in Soviet equipment—the performance of the SU-7 bomber, for instance—and about the price of spare parts and their ready availability. A Soviet aircraft costs roughly half its Western equivalent, but the Soviets tend to compensate themselves somewhat by overpricing spare parts, the most lucrative field for aircraft manufacturers the world over. They have also been in the habit of withholding these parts. Besides, the Soviets' penchant for secrecy is well known, and one Indian assumption is that it took the Soviets the shock of the Mirage deal to get them to offer their MiG-31 because of their fear of losing military secrets in India's open society.

The sturdiness and relative simplicity of Soviet weapons have emerged as a plus factor for the Indian Army in particular. Indeed, members of an initially British-trained Army, which had adopted Soviet weapons with reluctance and out of necessity, are now their strongest advocates.

According to former defense and foreign minister Y. B. Chavan, the Soviets attach great importance to personal relationships with a country's leaders. They seem to have found a man after their own heart in the present defense minister, R. Venkataraman. He tells the Soviets that the Indo-Soviet relationship supersedes other factors, and they believe him. But Indian officials in New Delhi say that the Indo-Soviet relationship is a cold-blooded one in which both sides understand each other. The Soviets want to sell India military hardware for strategic and economic reasons. Despite Western purchases, the Indian armed forces are basically and heavily equipped by Moscow.

K. Subrahmanyam of the Institute of Defence Studies and Analyses

questions the wisdom of the Mirage-2000 and West German submarine deals. He says that even the MiG-21s that India builds require about 30% Soviet parts because it is uneconomic to produce some equipment in very small quantities, and the Vijayanta tanks produced in India still require 3-5% British parts for the same reason. Subrahmanyam concedes that the Indo-Soviet military relationship limits India's options, but says it is not one of subservience. In his view, the way to reduce dependence on the Soviets is to begin a major effort in defense technology now so that in ten to fifteen years India can produce its own equipment in most fields.

According to Subrahmanyam, India's relations with the Soviet Union will remain stable as long as the Soviets are kept in their place, are not employed as advisers in the Indian Ministry of Defence, and are not asked to prepare Indian plans. These assumptions are based on the premise that India and the Soviet Union will not share a common border. India's resolve not to have Soviet military advisers in the country must, however, be open to serious doubt, given reliable reports in the Indian press in December 1981 of a crash of a MiG-25 flown by a Soviet pilot. According to *India Today* (February 15, 1982), the pilot bailed out at an Indian Air Force base in Uttar Pradesh, was met by Soviet advisers on the ground, and was promptly sent back to Moscow without giving evidence to an inquiry committee named later.

Others are not equally sanguine and are in favor of turning to the West to try to balance the Indo-Soviet relationship. "If the U.S. won't play ball with us," a former senior foreign service officer told me in New Delhi in October 1983, "we have to go to West Europe." France, though rated by many as mercenary, is particularly favored because of the level of its military technology and its sympathetic views on problems of the third world and India's importance in the scheme of things.

A recent instance indicates the problems in building up a new military relationship with the U.S., despite Washington's anxiety to sell India certain kinds of arms and congressional action to ease the way. A reported Indo-U.S. \$1 billion arms deal, certainly an exaggeration, had been under discussion for over a year. But negotiations, and even a preliminary agreement on artillery guns, have led nowhere. The primary reason is what India considers unacceptable conditions—e.g., provisions for the stoppage of arms under certain circumstances and reluctance to part with technology. There is, in any event, the realization in New Delhi, voiced by Foreign Minister Narasimha Rao in a conversation with me on October 24, 1983, that the U.S. will not give India what it gives Pakistan.

U.S. Under Secretary of State for Security Assistance William

Schneider told the *Washington Times* (April 4, 1983) that no state-of-the-art U.S. technology would be made available to India for fear of "leakage" to Moscow. There are few illusions on the Indian side. Defense analyst Subrahmanyam believes that neither superpower will give a country defense technology unless there is a convergence of strategic interests. There is no such convergence between New Delhi and Washington.

A new development that has come into play in India in recent years is the problem of kickbacks, which has proved to be a further inhibiting factor in building an Indo-U.S. military relationship. As an Indian foreign policy analyst put it to me in New Delhi in October 1983, "The American manufacturers will give kickbacks. But who knows whether the deal will not make the front page of the *New York Times* three months later?"

Besides, the Indo-Soviet military relationship puts obvious constraints on major arms purchases from the U.S., since Moscow was plainly unhappy with the projected Indo-U.S. deal. But New Delhi could have resisted such pressure if the terms were right. Despite Secretary of State George Shultz's assertion in New Delhi on July 1, 1983, that "misunderstandings" on this score have been cleared up, Indian doubts have not been allayed.

In any case, all Indians agree that the sooner Indian defense technology can build up an indigenous arms manufacturing base in sophisticated aircraft and ships and in electronics, the better it will be for the country. Prime Minister Indira Gandhi had dismissed suggestions of Indian military dependence on the Soviet Union as "quite baseless." In a speech in Parliament in April 1981, she declared, "In the matter of supplies and spares, no country can blackmail us in times of need." If this is not the case in reality, it certainly remains India's goal.

India's HJT-16 was the first jet aircraft designed by an Afro-Asian country without help from the superpowers. But after two decades of research, the country has not been able to produce a single missile system of its own. One problem is obsolescence and changing requirements. India will produce the second generation Franco-German Milan antitank missile under license, beginning in 1985.

Two of the country's continuing efforts are the main battle tank and a supersonic aircraft. The development of an indigenous tank has been hindered by the failure so far to manufacture a suitable engine. In the development of a supersonic fighter aircraft, research and development efforts are now concentrated of first making a supersonic engine; some initial successes have been achieved by the engine, GTX, but it will still take time to perfect and leaves unresolved the problem of a suitable airframe. If these failures are a reminder of the difficulties in gaining

self-sufficiency in a technological age, the other side of the coin is that India makes about two-thirds of its weapons domestically. A major new thrust is in the field of electronics, and an ambitious ship-building program is being undertaken, including the production of Godavari-class (modified Leander) frigates.

More than 30% of the defense budget goes into weapons and equipment, a figure that is bound to increase. The process of modernizing the forces by major weapon replacements has meant larger defense spending. Defence Minister Venkataraman told Parliament in May 1983 that India planned to import \$1.07 billion worth of weapons for the fiscal year ending in March 1984. India is to spend \$6.63 billion on defense in 1983-84, compared to \$5.8 billion the previous year. Although defense expenditure has risen at twice the rate of total government expenditure in recent years, the 1982 figures represent a \$8 per capita expenditure for India, compared to \$20 per capita for Pakistan. In 1979 India ranked 70th among 141 countries in defense spending as a percentage of GNP.

India has come a long way from being a "parade-ground army," as Defence Minister Krishna Menon used to call it in the late 1950s. It has the fourth largest army in the world, consisting of 960,000 men, and the total armed forces are 1.12 million strong. This compares with Pakistan's Army of 450,000 and total forces of 478,600. Pakistan is one-eighth India's size, and, despite having lost half the country (Bangladesh) in the 1971 war with India, it increased its budget to \$1.9 billion in 1983-84. Pakistan had spent 40% more (not adjusted for inflation) on defense in 1973-74 than united Pakistan spent in 1970-71.

Pakistan has achieved this remarkable feat by developing linkages with the Muslim Middle East, China, and, after a gap, the U.S. Today Pakistan ranks second only to Cuba as third world supplier of trained military manpower, not counting the traditional role Gurkhas have played in the British and Indian armies. Pakistani soldiers serve in twenty-two countries.

The deployment of troops along the Indo-Pakistani border is roughly the same, although India maintains ten mountain divisions along the Sino-Indian border and has a radar screen to guard against China. Despite the China factor that brought about the Indo-Soviet military relationship and remains the single most important factor in this link, India's efforts at self-reliance in conventional weapons and acquisition of major weapons are finely tuned to Pakistani capabilities.

India's success in space technology means that it has the capability of developing an IRBM. India had demonstrated its ability to produce nuclear weapons by detonating an underground nuclear device in 1974. In April 1983 India put a 41.5 kg. satellite into earth orbit with a

four-stage launch vehicle for the third time since joining the exclusive five-nation space club. The government plans to spend \$1 billion on its space projects in the next seven years. In view of the costs, India has been sounding out other third world countries on forming a consortium.

Like the 1980 agreement with the Soviets, the decision in favor of the MiG-31 by foregoing production plans for the Mirage-2000 (although India retains the option until June 1984) is also a reassurance to Moscow that New Delhi will not take its diversification plans too far. India will continue to try to balance major purchases from the Soviet Union with symbolic, if not substantive, purchases from the West. As Foreign Minister Narasimha Rao told me in New Delhi in October 1983, "I have told the Russians we will continue to buy [arms] from others. We are nonaligned."

The practice of this nonalignment will depend, as in the past, on the capabilities of India's defense industries and the benefits of going to Moscow or another source. India's defense planners realize that there are only three entirely self-sufficient defense-industrial societies: the two superpowers and France. The U.S. is ruled out for major systems because of the divergent strategic interests of the two countries.

France, though highly desirable as a weapons supplier, is a medium-sized power and hence unable to match the credit terms of a superpower, apart from the fact that the French tend to be high-cost producers because they do not have the economy of scale enjoyed by the U.S. and the Soviet Union. And Indian leaders have been constantly reiterating "constraint of resources," together with the goal of self-reliance. This is one reason India is likely to go back to the Soviets for submarines, probably the Tango class capable of firing antiship rockets. An Indo-Soviet agreement was signed in December 1982 for collaboration on design and manufacture of naval vessels.

INDIAN DEFENSE POLICY

A New Phase?

Glynn L. Wood and Daniel Vaagenes

Civil-military relations in postcolonial India have been something of a model for the Third World in that military capacity has been greatly increased without a major threat to civilian rule. Yet this achievement has not come easily. The 35 years of postcolonial history reveal considerable tension between civil and military authority; and policy debates during this period display a variety of conflicting views on the appropriate role for the military in Indian life.

Currently, the Indian military is undergoing political and technical changes that may introduce a new phase in both capacity and role. While the Indian military has clearly dominated the South Asian arena since the 1971 war with Pakistan, recent developments could have consequences that go beyond regional concerns. These developments are the result of India's more balanced international position between the Soviets and the West, and of the careful, long-term development of India's industrial-military complex. That complex is now within relatively easy reach of indigenous production of nuclear weapons, intermediate range ballistic missiles (IRBMs), and a wide range of conventional armaments that could be marketed internationally.¹ While India continues to purchase state-of-the-art weapons, in most cases these purchases include provision for production in India.

This impressive technical capacity is coming on line at a time when

Glynn L. Wood is Vice President and Academic Dean of the Monterey Institute of International Studies, Monterey, California, and Daniel Vaagenes is a recent graduate of the master's program in International Policy Studies at the Monterey Institute. The authors wish to thank Carl Cockrum, Michael McIntyre, and Suzanne Wood whose suggestions after repeated readings of various versions of the manuscript helped keep the work in focus.

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1. Lewis Dunn, "Half Past India's Bang," *Foreign Policy*, Fall 1979, pp. 71-89, and J. F. Elkin and B. R. Fredericks, "Military Implications of India's Space Program," *Air University Review*, May-June 1983, pp. 56-63.

India's national government is facing pressures from domestic opponents who have used both legal and illegal means to express their dissatisfaction with Mrs. Gandhi's government. The contrast between the disorder of demonstrations in Assam and the orderly development of India's military establishment is striking and must be understood within the historical context of India's postcolonial development.

Postcolonial Development

Initially, the Indian military had to live down its colonial past, for the British Indian Army had sustained colonial rule and was not a revolutionary army opposing colonialism.² In fact, members of the rebel Indian National Army who had fought the British in Southeast Asia as allies of the Japanese in World War II were never allowed to join the postcolonial military.³

The Indian military was also disadvantaged by the division of the military establishment between India and Pakistan. This division had to be carried out in 1947 amid the chaos of the partition riots, which were quickly followed by a war with Pakistan over Kashmir. And finally, there was a strong element in Indian public opinion that supported Mahatma Gandhi's argument that the Indian practice of nonviolence precluded the need for a military establishment altogether.⁴

However, the difficulties of partition and the 1948 war with Pakistan confirmed the usefulness of the former colonial military organization. Nehru's government accepted the military status quo and used the Indian Army during the early years of independence in Kashmir, Hyderabad, and Goa. In these engagements the Indian Army proved to be more than adequate, and no radical attempts were made to change that organization until the Sino-Indian war of 1962. There was concern about Pakistan (particularly after Pakistan joined the CENTO and SEATO alliances), and the Indian military did participate in various United Nations peace-keeping missions around the world; but defense policy was secondary when Nehru launched his ambitious five-year plans and put forward his anticolonial policy of nonalignment. In 1957 Nehru placed the Ministry of Defence under the control of his closest friend, V. K. Krishna Menon. Menon quickly antagonized the top military leadership, not only by his violation of the seniority principle in the military

2. Stephen P. Cohen, *The Indian Army: Its Contribution to the Development of a Nation* (Berkeley: University of California Press, 1971).

3. Ibid., pp. 157-164, and Hugh Toye, *Subash Chandra Bose* (Bombay: Jaico, 1962).

4. J. Bandyopadhyaya, "Nehru and Non-Alignment," in B. R. Nanda (ed.), *Indian Foreign Policy: The Nehru Years* (Honolulu: University of Hawaii Press, 1976), pp. 175-178.

personnel system but also by making defense policy with little regard for professional military opinion. Menon became both the symbol of civilian control of the military during the Nehru years and a symbol of political intrusion into the military's professional business.

The Sino-Indian War of 1962 was clearly the watershed for the Indian military. For Nehru that war meant the end of his cherished nonalignment policy, even though nonalignment would later be resurrected by his successors. The war also escalated the Indian defense budget and was the political end for Defence Minister Menon, whose failure to listen to his military advisors had left the Indian Army nearly helpless before the Chinese invasion. Faced with severe criticism from his own Congress Party, Nehru reluctantly removed Menon and set out on a program of military modernization with help from both the United States and the Soviet Union.

The most immediate reform was the addition of ten mountain divisions, which gave the Indian Army the capacity to fight on two fronts.⁵ Historically, the British had looked toward the northwest for trouble, and the Nehru government followed their example, even after their border dispute with the Chinese had become quite acrimonious. Worse yet, Indian initiatives in the disputed areas had been both unwise and provocative.⁶

More important than the details of the revised Indian defense policy was the elevation of national defense among the priorities pursued by the Indian government. From the humiliation of 1962 to the stalemate with Pakistan in 1965 to the Bangladesh victory in 1971, the Indian military has had a privileged position in the Indian policy process. No longer are there discussions about the usefulness of defense; discussions now assume a strong defense and move on to arguments over optimal means. And at least since 1971, Indian foreign policy has aimed at maintaining regional hegemony and at minimizing superpower influence in the South Asian region. Some analysts have argued that India's long-term goal is superpower status, and there is evidence for that case.⁷ With the explosion of a nuclear device in 1974, India became the sixth member of the nuclear club. A non-signatory of the Nuclear Nonproliferation Treaty, India continues to pursue an autonomous policy in nuclear development, and its technicians were able to bring an indigenously constructed nuclear power station on line in July 1983. While there is no evidence that this

5. Raju G. C. Thomas, "The Armed Services and the Indian Defense Budget," *Asian Survey*, 20:3 (March 1980), pp. 294-297.

6. Neville Maxwell, *India's China War* (New York: Pantheon, 1970), pp. 361-363.

7. Stephen P. Cohen and Richard L. Park, *India: Emergent Power?* (New York: Crane, Russak, 1978), pp. 9-24, 43-53.

capacity has been turned toward weapons development, there is no doubt that India now has that option.

Similarly, India's space program, while currently involved in a variety of nonmilitary projects, has the capacity to produce at least IRBMS.⁸ And in conventional weaponry, India's insistence on arms purchases that include provisions for indigenous production has provided it with the capacity to manufacture relatively sophisticated military equipment, including aircraft, submarines, and tanks.

From the point of view of the Indian military, events subsequent to 1962 have effected a major transition in the military's status, and it is a success story. This success has generated a new set of arguments about the appropriate role of the Indian military.

The Political Context

Despite a backward economy and a difficult international environment, the Indian political system has demonstrated extraordinary stability. India has survived the trauma of partition, displacement of millions of refugees, four wars, persistent insurgencies, and various forms of civil violence while functioning as a parliamentary democracy based on adult suffrage. This has been done with a society in which the per capita income is \$140 and the literacy rate 25%.

Much of India's political success can be attributed to Nehru's leadership of the Congress Party and evolution of a second generation of Congress leaders (including Mrs. Gandhi) who are legatees to that party tradition. Congress and their opposition (many of whom are ex-Congress) have been committed to operating the parliamentary system created by the Indian constitution. Except for the 19 months of Mrs. Gandhi's emergency, the parliamentary game has been played by all major political players, and when a government fails at the state or national level, rules of democratic succession have been carefully followed.

The exception to the pattern was Mrs. Gandhi's decision to declare Emergency Rule in 1975.⁹ At the time Mrs. Gandhi had a majority in Parliament large enough to clothe her actions in constitutionality; and when her bid for reelection failed in 1977, she quietly turned the government over to the winning Janata Party leadership. Returned to power in 1980, Mrs. Gandhi continues to have her difficulties with state governments, the courts, and even her daughter-in-law. But since 1980

8. Elkin and Fredericks, "Military Implications."

9. Myron Weiner, "The 1977 Parliamentary Elections in India," *Asian Survey*, 17:7 (July 1977), pp. 619-626.

she has attempted no major constitutional changes that would threaten civil liberties or parliamentary practice.¹⁰ However, during the Emergency Mrs. Gandhi demonstrated that the Indian parliamentary system can be constitutionally derailed by a prime minister with a two-thirds majority in Parliament—a majority she regained in 1980. Hence, any analysis of the Indian political system must list that possibility against the greater likelihood that parliamentary democracy will continue.

Current Defense Capability

The Indian Army is the fourth largest in the world, behind only China, the Soviet Union, and the U.S. It currently has some 960,000 men on active duty, including 15 divisions in infantry and 10 mountain divisions created with U.S. assistance in response to the 1962 Chinese incursion.¹¹ The Army is deployed to deal with a two-front war, assuming hostile action from both Pakistan and China. Prior to 1971 this posture was somewhat complicated by East Pakistan, although that region played only a minor role in defense planning until shortly before the civil war broke out in 1971. In addition to these two major adversaries, the Indian Army has also been regularly engaged in counterinsurgency against Naga and Mizo rebels in the Northeast border hill areas around Assam. As many as 36,000 troops have been deployed in that campaign.¹²

The Indian Army has been eclectic in its selection of major equipment. Its present inventory includes items purchased from the Soviet Union, the United States, Britain, France, and Czechoslovakia in addition to a great deal of indigenous material developed autonomously or in collaboration with one of the suppliers. The Soviet Union has been the single major donor of military assistance.

With 113,000 men and some 1,600 aircraft, the Indian Air Force is also a major element in Indian defense.¹³ It is deployed to support the Army on both fronts and has light bombers and fighter-bombers with the range to reach the major cities of Pakistan. The Indian Air Force record during the wars with Pakistan has been mixed. Great improvement over

10. While there have been no constitutional changes since Mrs. Gandhi's return to power, laws have been passed giving the central government many of the powers used during the Emergency. See Ved Mehta, *Family Affair* (New York: Oxford University Press, 1982), p. 147.

11. Raju G. C. Thomas, "Security Relationships in Southern Asia," *Asian Survey*, 21:7 (July 1981), pp. 705-706.

12. Dupuy et al., *Almanac*, p. 175.

13. Ibid., pp. 176-177, and Raju G. C. Thomas, "Aircraft for the Indian Air Force: The Context and Implications of the Jaguar Decision," *Orbis*, Spring 1980.

earlier performance was shown in the Bangladesh campaign, during which the Indian Air Force dominated both fronts. The Indian Air Force has been eager to hold this dominant position, and in recent years has argued strongly for buying the best aircraft on the market. A major decision by the Desai government to purchase the expensive Anglo-French Jaguar fighter-bomber and the British Harrier fighter in 1977 ended a period of Soviet dominance in aircraft acquisition. When Mrs. Gandhi came back to power, her government originally continued to diversify aircraft purchases, negotiating for the French Mirage-2000 and Mirage-4000, along with the Soviet MiG-25 and MiG-27. However, the Mirage plan was eventually abandoned, and the MiG-31 replaced it.

These choices of equipment are obviously difficult ones, economically, politically, and technically. Soft currency arrangements with the Soviets have made arms deals with them economically attractive; and the Indo-Soviet Friendship Treaty of 1971, as reinforced in 1976, suggests that Soviet purchases should also be politically preferred.¹⁴ Also, diversification of equipment presents real problems with respect to spare parts and maintenance. Yet the decision for diversification was made in 1977 and has been continued by Mrs. Gandhi.

The Army and Air Force appear to have an integrated plan for India's defense. Barring a military disaster, this integration should hold. However, it seems likely that the status quo can be maintained only by increasing the Air Force's share of the defense budget because prices for aircraft and related hardware inflate more rapidly than other military costs. Whether the Army, which has been the major element in defense policy, will accept a deteriorating budget position is not clear.

Until recently, the Indian Navy received the least attention in defense policy discussions and the least budgetary support. Currently, the Navy has some 47,000 men and approximately 100 ships and 150 aircraft.¹⁵ The Navy's relative weakness was the result of the legacy inherited by the Indian Navy, for while the British Empire depended heavily on the Indian Army, the Royal Navy needed no Indian help in protecting sea lanes. This subordinate position was initially accepted by the Indian Navy, except for minor grumblings, until the Bangladesh war. The action of the carrier USS *Enterprise* during that engagement, and subsequent superpower activity in the Indian Ocean, have convinced India's defense planners that the traditional posture of the Navy is inadequate, given India's strategic position.

These arguments have had an impact, and the Navy's capital-con-

14. Salamat Ali, "Buried in Roubles," *Far Eastern Economic Review*, June 2, 1983, p. 96.

15. Dupuy et al., *Almanac*, p. 176.

struction, which ranked third among the services in 1969, has been ranked first since 1974.¹⁶ Especially noteworthy is India's increased capacity for shipbuilding, particularly submarine production. In addition, an independent Coast Guard was created in 1978, which will increasingly take on routine coastal duties previously handled by the Navy, thus freeing the latter for "blue water" operations.¹⁷ In the long run, however, the Indian Navy shares the capital intensive problem with the Indian Air Force. Starting from a smaller base, the Navy must also invest heavily in equipment, and major expansion would threaten the interservice balance.¹⁸ In addition, strategists working over defense plans have reportedly greatly expanded the mission of the Indian Navy.¹⁹ If accurately reported, this means that the proponents of the two-fleet navy (one for the Bay of Bengal and one for the Indian Ocean) have made their point, although the cost of this expanded role has yet to be budgeted.

When defense policy over the past 35 years is reviewed, three developments are conspicuous. First, radical changes have been made in the size of defense expenditures (see Table 1). Indian response to the war with China moved the entire defense establishment to a higher level of activity during the 1960s. Growth then continued at a moderate rate during the 1970s, after a surge of spending around the Bangladesh war in 1971 and 1972. However, the rate of growth has accelerated during the past five years, with an 8% growth in 1982-83 (after discounting for an inflation rate of 12%).²⁰ Perhaps more important, defense spending projected for 1983-84 is 3.8% of the GNP, a level matched only during the Sino-Indian and the Bangladesh Wars.²¹

Second, until recently, India's strategic objectives and its interservice ratio for defense expenditures have been relatively stable. The Army, Air Force, and Navy have held close to a budgetary ratio of 70:20:10. This ratio conceals a real change in the balance of capital allocation in which the Navy has moved from 34% to 51% of the capital budget during the 1970s.²²

Third, while the Indian military continues under the budgetary control

16. Gary Sojka, "The Missions of the Indian Navy," *Naval War College Review*, January-February 1983, p. 6.

17. *Ibid.*, p. 11.

18. Raju G. C. Thomas, "The Armed Services," pp. 288-289.

19. Gary Sojka, "The Missions of the Indian Navy," pp. 5-12.

20. *International Defense Review*, No. 4, 1982, p. 383, and "Bouncing Back From a Year of Trouble," *Business Week*, November 1, 1982, pp. 14-15.

21. Statement by Finance Minister Pranab Mukherjee to the Lok Sabha, February 28, 1983.

22. Raju G. C. Thomas, "The Armed Services," pp. 289-294.

TABLE 1 *Indian Military Expenditures*

	1978 Prices (in billions of dollars)	Percent Increase
1950	.858	—
1955	.995	16
1960	1.112	12
1965	2.595	133
1970	2.538	—2
1975	2.980	15
1980	3.719	25*

SOURCE: Adapted from the *SIPRI Yearbook, 1980* (London: Taylor and Frances, 1980), p. 21.

*This increase is an estimate.

Note: Neither nuclear nor space expenditures are included in this table.

of the Indian parliament, military leaders have had little difficulty in recent years in dealing with the political leadership. The defense minister has been a major figure in the cabinet and has had little difficulty protecting his turf, partly because of a general lack of expertise in Parliament (and elsewhere) to cope with this difficult policy area, but also because much of defense policy is protected by security measures.²³ Except for a few journals of opinion and a rather prolific cadre of retired military officers, few authorities can contest defense issues. When a defense issue does move to the political level, top military leadership can expect to have its case heard sympathetically and to have the able support of the defense minister.

While the recent history of the Indian military has been a political success story, policy discussions have gone beyond budgetary arm-wrestling. Radical proposals have been made to change the nature of the military establishment, but these proposals have generally been eschewed. Two functions in particular have been resisted, despite pressure to the contrary—the handling of civil unrest, and military involvement in programs for economic development.

The first is probably the more important. Until recently, India's political leaders have usually avoided using troops to put down civil disturbances. Even during Mrs. Gandhi's period of authoritarian rule, civil disturbances were dealt with by police and by militias organized outside

23. Raju G. C. Thomas, "India," in Edward A. Kolodziej and Robert Harkavy, *Security Policies of Developing Countries* (Lexington, Mass.: Lexington Books, 1982), pp. 132–136, and Cohen, *The Indian Army*, pp. 169–177.

the defense ministry.²⁴ There have been exceptions—for example, the counterinsurgencies in border areas like Nagaland, and the major outbreak of violence in Assam. It should be noted that civil violence has grown in size and frequency since independence and that although Indian politicians have tried to cope without military assistance, the trend is toward greater use of the military.²⁵

The second proposed function, economic development, has been suggested as appropriate for the military in peace time. Advocates argue that the nearly one million trained men in uniform represent a tremendous waste of resources unless otherwise employed. Proposals that this manpower be used in constructive economic activity are made regularly, but without success. The defense ministry is adamant that anything beyond emergency relief efforts would take away valuable training time and would lower morale.

The treatment of both of these functions demonstrates the division of authority between civilians and the military in India. Politicians and bureaucrats have come to appreciate the utility of a strong military in maintaining India's position in foreign affairs; consequently, the military is well treated in perquisites, budgeting, and status. There are recurring quarrels over top level promotions. The professional military prefers selection of top leadership exclusively by seniority, and Mrs. Gandhi's governments have not always gone along. The most recent selections of heads of the Indian Army and Air Force did not follow seniority, and controversy did ensue.²⁶

Policy Objectives

While the Indian military inherited the pivot position of the British Indian Army between Europe and East Asia and a tradition of policing everything "East of Suez," the anticolonial rhetoric of Nehru and the Congress Party originally left little room for a global or regional policy of realpolitik. Neither did the limited means of the Indian military, which lost a large proportion of its senior officer cadre and its European logistical base with independence and partition.

While experts disagree on Nehru's long-term goals, his early years were clearly directed at economic rather than military development. That

24. Stephen P. Cohen, "The Military," in Henry Hart (ed.), *Indira Gandhi's India* (Boulder: Westview Press, 1976), pp. 207–232.

25. Jyotirindra Das Gupta, "India in 1980: Strong Center, Weak Authority," *Asian Survey*, 21:2 (February 1981), pp. 150–152.

26. Mohan Ram, "Marching to a New Drummer," *Far Eastern Economic Review*, July 7, 1983, pp. 28–29.

changed in 1962, and while the Indian military has not recaptured the strategic position held by its colonial antecedent, it has established clear-cut dominance in South Asia and currently maintains a policy designed to expand that role over time.²⁷

Indian foreign policy has been strikingly consistent in seeing Pakistan and China as its major potential enemies and strongly resisting super-power influence in the South Asian region. Other issues have come and gone, but these are the core, although at times the objectives seem to conflict with each other. For example, India accepted military assistance from the U.S. during the Sino-Indian War and signed a friendship treaty with the Soviets in 1971. Mrs. Gandhi was also willing to establish a seemingly unlikely partnership with the Shah of Iran to police the Persian Gulf and the Indian Ocean.²⁸ All these arrangements ran counter to India's preferred policy of nonalignment. More typical, however, is the current situation in which India opposes American use of the naval base at Diego Garcia and the Soviet occupation of Afghanistan.²⁹

India's defense policies are tightly linked to its foreign policy. The size of the Indian Army is derived from the perception that India faces two potential fronts. The ten mountain divisions raised after the Sino-Indian War were designed to maintain security along the PRC border. Until that expansion, former Army Chief of Staff General K. S. Thimayya wrote pessimistically, "We could never hope to match China in the foreseeable future. It must be left to the politicians and diplomats to ensure our security."³⁰

In recent years India has used its diplomats much more carefully in dealing with China; but the Army is also better prepared on the north-eastern frontier. While three rounds of talks have produced no concessions from either side in this dispute, neither has there been any attempt to escalate conflict along the border. India's decision to develop its own nuclear capability was made with the Chinese in mind, although it can be argued that the nuclear explosion in 1974 is hardly a major deterrent to Chinese aggression.³¹

27. Cohen and Park, *India*, pp. 25-40.

28. Marcus F. Franda, "India, Iran and the Gulf," *American University Field Service Reports, Asia*, No. 17 (Hanover, N.H., 1978), and Dieter Braun, "New Patterns of India's Relations with Indian Ocean Littoral States," in Larry W. Bowman and Ian Clark (eds.), *The Indian Ocean in Global Politics* (Boulder: Westview Press, 1981), pp. 29-31.

29. Thomas W. Robinson, "The Soviet Union and Asia in 1980," *Asian Survey*, 22:1 (January 1982), pp. 25-27.

30. K. Subrahmanyam, "Nehru and the India China Conflict of 1962," in B. R. Nanda, *Indian Foreign Policy*, pp. 117-118.

31. Cohen and Park, *India*, pp. 43-53.

China is a formidable enemy for India. Pakistan is less so, particularly since the creation of Bangladesh. That partition reduced Pakistan to roughly one seventh the size of India. However, defense against the Pakistanis involves military technology and what India sees as unwarranted intrusions by the West, particularly the United States, in the region. While Indians would agree that the 1971 war eliminated any possibility of a regional balance of power, the current U.S. effort to upgrade and modernize the Pakistani military will give Pakistan more bargaining power in bilateral negotiations, especially any negotiations that might concern the stalemate in Kashmir. The purchase of state-of-the-art weaponry by Pakistan may also gain them short-term advantage, while India pursues slower and more deliberate policies for weapons acquisition.

It is in the area of weapons acquisition and defense production that India and Pakistan have followed sharply contrasting policies for 30 years. Pakistan has not developed production capacity for military equipment beyond small arms.³² On the other hand, India's military and economic development plans have been integrated so that much of the weapons acquisition program has involved joint production in India and eventual domestic production.³³ The latter modes are both costly and slow, but are also less vulnerable to international political interference. The arms embargo imposed by the U.S. during the 1965 Indo-Pakistani War demonstrated the wisdom of India's mixed strategy for production because the embargo was much more damaging to Pakistan.

India's strategy does not work well when Pakistan is able to obtain financing to purchase high-performance weapons off the shelf, as in their recent F-16 deal with the United States. India then must balance the long-run goals of autonomy and self-sufficiency against the short-term threat of the F-16 and decide whether to counter the threat with an expensive purchase off the shelf using limited foreign exchange.

The other major goal (reducing superpower influence in the region) is more difficult to tie directly to defense policies. Historically, the Indian Army was the major enforcer of colonial discipline in Asia and Africa. Consequently, the Indians (and the Pakistanis) have inherited Kipling's great game vis-à-vis the Russians. While the Indian Air Force was also a minor part of that game in its later stages, the Navy was not, and little was done prior to 1971 to build up Indian sea power. The American and Soviet presence in the area has been decidedly unwelcome to India,

32. Stephen P. Cohen, "Pakistan," in Kolodziej and Harkavy, *Security Policies*, pp. 105-106, and Lawrence Ziring, *Pakistan: The Enigma of Political Development* (Boulder: Westview Press, 1980), pp. 226-235.

33. Cohen and Park, *India*, pp. 10-20.

although the response to their presence has been largely rhetorical. However, the entry of the *Enterprise* battle group in 1971 set off a flurry of capital expenditures for the Navy; and more sophisticated arguments in favor of naval expansion are now being developed.

Economic Impact of Defense Policy

While no direct role has been assigned the military in India's elaborate plans for economic development, it is clear that an establishment consuming nearly 4% of the GNP is a major player in the Indian economy.³⁴ Conventionally, armies have been seen as pyramids in economic development—enormous investments for which there is no return. Recently this conventional wisdom has been challenged by theorists who argue that underdeveloped economies benefit from the manpower training that takes place in a modern army.³⁵ Attaturk's Turkey is often cited wherein village lads learned skills ranging from literacy to mechanics before returning to civilian life with attitudes and skills reshaped by a modern organization.

A second set of arguments has been put forward by Irving Louis Horowitz, whose investigation of national statistics led him to the conclusion that military regimes are more likely to invest in infrastructure than in consumerism.³⁶ Investments in transportation, communications, power, and other basic systems are essential to the military, and hence military governments are likely to give infrastructure investment a higher priority than would a more democratic regime. India is obviously not a military regime; however, defense-related expenditures have strengthened infrastructure.

Finally, there are the arguments concerned with the transfer of technology that have been especially well received in India. Simply put, learning how to build ships, airplanes, and electronics for military uses also develops the skills required to handle high technology in more general industrial development.

There can be little doubt that the Indian military has improved the manpower base, contributed to the communication and transportation

34. Emile Benoit, *Defense and Economic Growth in Developing Countries* (Lexington, Mass.: Lexington Books, 1973).

35. Lucien W. Pye, "Armies in the Process of Political Modernization," in John J. Johnson (ed.), *The Role of the Military in Underdeveloped Countries* (Princeton: Princeton University Press, 1962).

36. Irving Louis Horowitz, *Three Worlds of Development* (New York: Oxford University Press, 1966), pp. 254-271.

infrastructure, and accelerated the transfer of technology to the subcontinent. However, there is little systematic data on how important these contributions are to overall economic development.

Concluding Assessment

It would be hard to fault the Indian military for its performance since 1947. Except for the 1962 war with China, the Indian military has fought well when called on and has stayed in the cantonments and attended to their training schedules when they were not. The war with China was a politician's war, set off by political miscalculation, against the best advice of senior military officials.³⁷ The rebound of the military after that disaster has been both purposeful and well executed.

Indian troops have been used in a number of United Nations peace-keeping missions and have served well; and their most recent success in Bangladesh made them domestic heroes in both India and Bangladesh. Critics would point out that the army is extremely large, given the threats presently faced, but it is not clear whether a reduction in force would effect major economic benefits for the Indian economy.

It is also not clear whether the present 70:20:10 budgetary ratio between branches of the military is optimal. While India does have long land frontiers to protect, it is uncertain whether the ratio should be maintained in the face of inflated hardware prices for the Navy and Air Force. This is especially true if the responsibilities of being the major regional power are taken seriously. Decisions to move into operational nuclear weapons or to create a fleet that is credible in both the Indian Ocean and the Bay of Bengal would drastically change that budgetary ratio.

The external players most concerned with India's defense policy are Pakistan, China, the Soviet Union, and the United States. The major objective for Pakistan is to develop a deterrent (nuclear or otherwise) that would make an attack by India unprofitable. The present agreement with the United States to upgrade Pakistani military equipment is seen as a step in that direction, as has been the Pakistani decision to develop nuclear capability.³⁸ These steps are likely to set off an arms race in which India will feel pressured to buy more weapons off the shelf as an emergency measure, rather than to continue their preferred policy of developing indigenous production at a slower pace. These purchases would also slow down plans for indigenous production.

37. Neville Maxwell, *India's China War*, pp. 65-256.

38. Stephen P. Cohen, "Pakistan," pp. 97-102.

China seems much less concerned with India's defense program. Neither land invasion of Tibet nor air or sea attacks by India seem credible, given present technology. India has cooled its rhetoric concerning the disputed border areas and seems much less strident in making its claims than during the Nehru period.

The Soviet Union still stands by its friendship treaty with India. Although India is clearly unhappy with the Soviet adventure in Afghanistan, there are many ties of trade and military assistance that place the Indian government on the Soviet side of most international issues. India continues to be a useful ally for the Soviets as they take positions opposing the Chinese and the United States, even though it seems that the Soviets currently receive less than they would like from the alliance.

The U.S. interest in Indian defense policy is both a by-product of its calculation that Pakistan must be preserved as a buffer between the Soviets and the oil fields of the Persian Gulf, and of American concern with the Soviet-backed regime in Afghanistan.³⁹ While these interests do not directly affect India, U.S. assistance to Pakistan is inevitably seen as hostile by Indian policy makers and thus raises the ante in the South Asian arms race. Also important is U.S. use of the naval base at Diego Garcia as a staging area to protect its interests in the Gulf.⁴⁰ This is interpreted as an extension of the Western colonial order, especially since the U.S. acquired use of the base from the British. Diego Garcia is likely to be used as a justification for a larger Indian Navy—a change that would definitely upset the current budgetary ratio within the Indian defense ministry.

While external problems could lead to drastic changes in the role of the Indian military, it is more likely that the most important challenges to the status quo would be domestic. The ability of any Indian regime to sustain civil order has been at risk in recent years. The most extreme political response was Mrs. Gandhi's declaration of an emergency for 19 months in 1975–76 which allowed her to rule India in authoritarian fashion. Her decision was carried out without military involvement, although certainly the emotion generated by her action reverberated through the military. The use of military force for a quick solution of domestic difficulties is tempting for political leaders with their backs to

39. Stephen P. Cohen and Marvin G. Weinbaum, "Pakistan in 1981: Staying on," *Asian Survey*, 22:2 (February 1982), pp. 143–145, and Fred Green, "The U.S. and Asia in 1981," *Asian Survey*, 22:1 (January 1982), pp. 8–10.

40. Joel Larus, "India's Nonalignment and Superpower Naval Rivalry," in Bowman and Clark, *The Indian Ocean*, pp. 43–56, and R. Tyrrell, "The Cost of Sovereignty," *Far Eastern Economic Review*, July 30, 1982, pp. 20–21.

the wall. To the credit of Indian leaders, they have taken that short cut only in extreme cases; however, extreme cases have certainly become more common since 1982.

Finally, India's expanding capacity to produce a wide range of sophisticated war material is changing its position in the international system. A nation capable of producing nuclear devices, submarines, rockets, and aircraft has the military potential to go beyond the regional role that India plays at present. There can be little doubt that Indian leadership aspires to such an enhanced role.

THIRTY YEARS OF FAMILY PLANNING IN INDIA

Rosanna Ledbetter

The United States Census Bureau reported in August 1983 that India, China, Indonesia, Brazil, and Bangladesh, in that order, surpassed all other countries in the world in terms of numerical population growth for the period July 1982 through June 1983. And yet at least the first three of these have had vigorous government-sponsored family-planning programs for some time now. India, for example, committed itself at the dawn of its independence to lowering its rate of population growth, but with 680 million people, it still has the second largest population in the world (China is first) and the largest numerical growth (15.5 million in 1982-83).

In 1952, the Indian government initiated what would become in the 1960s the largest government-sponsored family-planning program in the world. For 25 years, the government stressed the importance of family planning primarily as a way to reduce the rate of population growth. In the 1970s, however, government leaders came to realize that spending large sums of money on an elaborate family-planning program had not been effective in reducing the growth rate (still 1.8% to 2.2% as opposed to a world rate of 1.75%). Subsequently, since 1977, India has emphasized birth control as only a part, though certainly an integral part, of a comprehensive health and welfare package for its people. This article will review India's family-planning program as it developed and what research studies have revealed about its impact.

India, like many of the countries that have established themselves as sovereign nations since World War II, began a concerted effort in the very first years of independence to bring to its people a standard of living similar to that enjoyed in the industrialized Western nations. National leaders judged that the way to reach this objective was to proceed with

Rosanna Ledbetter is Professor of History, Western Illinois University, Macomb, Illinois.

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modernization as rapidly as possible. In view of the economic accomplishments of countries such as the Soviet Union via a series of five-year plans, government leaders decided that India should embark upon its own series of plans beginning in 1951. The population at that time was a little over 361 million with a birth rate of 41 per 1,000 and a death rate of 24. The population growth rate had been 1.26% per annum in the decade 1941–51, and there seemed no reason to believe it would increase much in the 1950s, or so the planners thought.

At this point, we should perhaps recognize that population statistics in India, as in so many countries, should be viewed with some skepticism. As Sripati Chandrasekhar, former minister of health and family planning and a trained demographer, has warned, statistics should be taken more as revealing trends and less as exact statements.¹ Registration of vital statistics was not compulsory in India until 1970.²

First Five-Year Plan (1951–56)

India's first five-year plan was "essentially a post-war rehabilitation plan." The new nation needed, first of all, a period of time in which "to rectify the disequilibrium in the economy caused by the War [World War II] and Partition [division of the subcontinent into India and Pakistan], and secondly, to initiate the development of certain basic resources so as to lay the foundation of more rapid economic growth in the future."³ Leaders were particularly concerned in the first years of planning with capital formation necessary for industrial development, but they were also fully cognizant of the need to provide sufficient essential consumer goods and food in view of conditions in India.

From the beginning of economic planning, India's government leaders recognized that by attempting to achieve what the Western nations had accomplished, but in a much shorter period of time, a population problem might arise. A government-sponsored family-planning program, they felt, should therefore be instituted. At that point, however, India's leaders appear to have subscribed to the view that industrialization would ultimately bring a decline in the population growth rate just as it seemingly had done in the Western nations in the early twentieth century.

1. S. Chandrasekhar, *Infant Mortality, Population Growth and Family Planning in India* (Chapel Hill: University of North Carolina Press, 1972). The book contains an entire chapter on "Population Census and Vital Statistics" that indicates the weaknesses of population figures in India (pp. 25–76).

2. India Registration of Births and Deaths Act of 1968, in effect as of April 1, 1970.

3. Dhires Bhattacharyya, *India's Five Year Plans: An Economic Analysis* (Calcutta: Progressive Publishers, 1976), pp. 48–49.

Believing, as the Indian planners apparently did, that the rate of population growth would remain at approximately 1.5% based on the experience of the previous decade, they appropriated in the first five-year plan only Rs. 3 million for family planning, and only Rs. 1.5 million was actually spent. They viewed family planning as a desirable part of the country's public health services, but the major concern was obviously to reduce "the birth-rate to the extent necessary to stabilize the population at a level consistent with the requirements of national economy."⁴

The thrust during the first plan was to be toward setting up studies to determine reproductive patterns, attitudes, and motivations, and upon providing birth-control information primarily through existing hospitals and health centers. Only a few new family-planning clinics were to be constructed, and by the end of the plan in 1956, only 147 new clinics had been set up, 126 in urban areas and 21 in rural areas.

The only method of birth control recommended at first was the rhythm method. The Indian minister of health in the early 1950s, Raj Kumari Amrit Kaur, did not approve of the use of contraceptives and would only allow consideration of the rhythm method, claims Dhanvanthi Rama Rau, herself a leader in the Indian family-planning movement. In Amrit Kaur's opinion, "this was the only 'moral' way, however ineffective it proved to be."⁵ Minister of Health and Family Planning Chandrasekhar in the late 1960s, however, blamed the Catholic member states of the World Health Organization (WHO) for India's weak attack on the birth rate in the early 1950s. When the Indian government approached the United Nations in 1950 and asked WHO for technical aid in promoting its family-planning program, it was, said Chandrasekhar, "certain Catholic member nations of the WHO [that] objected to the world body offering scientific contraceptive advice even to non-Catholic countries" such as India.⁶ The World Health Organization sent Dr. Abraham Stone, an American expert on family planning, to set up a series of pilot projects in India to determine whether the rhythm, or safe-period, method would be effective. Dhanvanthi Rama Rau claims Dr. Stone admitted that "the rhythm method, though scientifically sound under ideal conditions, could not succeed in . . . [Indian] villages, where 80 percent of . . . [the] population lived."⁷

4. *The First Five Year Plan* (New Delhi: The Planning Commission, 1953), pp. 522-524.

5. Dhanvanthi Rama Rau, *An Inheritance: The Memoirs of Dhanvanthi Rama Rau* (New York: Harper and Row, 1977), p. 257.

6. S. Chandrasekhar, *India's Population: Facts, Problem and Policy* (Delhi: Meenakshi Prakashan, 1967), p. 37.

7. Dhanvanthi Rama Rau, *An Inheritance*, p. 257.

Nevertheless, Dr. Stone's family-planning team forged ahead and devised a system for illiterate peasant women whereby they could supposedly tell whether or not they were in their "safe" period. The doctors devised a special necklace of 28 colored beads with one bead for each day of a woman's menstrual cycle: orange beads for the days of menstruation, green for "safe" days, and red for fertile or "baby" days. The woman was to move one bead per day beginning with the first days of menses. Problems quickly developed. It was difficult to distinguish colors in the dark. The solution: change the shape of the beads—round for red ones, square for green ones. The use of fluorescent beads was even considered. Some women simply forgot to move a bead now and then. Others viewed the necklace as an amulet with magical powers, the very presence of which provided the necessary protection. The main problem, of course, is that women vary so much in their menstrual cycles. Twenty-eight days is only an average; many cycles are longer and many are shorter. Describing the bead technique, Chandrasekhar quipped: "Blessed are the women that are irregular for their daughters shall inherit the earth."⁸ He went on to speculate that "if there is even a tiny hereditary element in their irregularity . . . , natural selection would then ultimately produce a world populated by irregular women."⁹ Needless to say, the bead project failed, and the government turned to recommending other methods, such as sheaths or condoms, diaphragms, and jellies.¹⁰ For women as a whole but particularly for rural females, diaphragms also proved difficult to use, especially since the device must be individually fitted and can be difficult to insert unless the individual has some instruction. Further, a lack of water, lighting, sanitary facilities, and privacy caused a number of women to label the diaphragm too messy and awkward.

Second Five-Year Plan (1956–61)

By 1956, the end of the first five-year plan, India's population had climbed to almost 400 million. In the second five-year plan (1956–61), Rs. 22 million were appropriated for family-planning programs with more emphasis to be placed on building a greater number of clinics, especially in the rural areas. Otherwise, however, the general policies of the first plan were continued. More studies were set up; and, as in the first plan period, giving birth-control advice remained primarily the responsibility of hospitals, health centers, and birth-control clinics. This

8. Chandrasekhar, *India's Population*, p. 38, fn. 24, citing a Professor Garrett.

9. *Ibid.*, pp. 38–39.

10. Dr. Abraham Stone tells the story of the bead project himself in "Fertility Problems in India," *Fertility and Sterility* (May-June 1963).

so-called clinic approach continued to characterize India's family-planning program until the early 1960s when government leaders began to emphasize what is called the "extension approach," which involved directing efforts toward motivating couples to appreciate the value of small families and thus accept the practice of family planning.

During the second five-year plan, over 4,000 more clinics were added to the 147 created during the first plan. But by the end of the five years, India's leaders and planners realized that the goal of creating a better life for the masses of India was eluding them. In 1961, agricultural output was up 22%, the same as in the first plan, and industrial output was up 41%, only 2% more than the gain in the first plan.¹¹ The 1961 census, however, showed that the annual rate of population growth was running closer to 2% than the 1.5% upon which the first two plans had been based. At the same time, the death rate was still dropping. The planners thus underestimated the need for consumer goods and for educational and employment opportunities. At the end of the second plan, the plight of the Indian populace seemed worse than when economic planning commenced. As Stanley Wolpert said in his *New History of India*, "More of India's population was landless and unemployed after over a decade of freedom than had been under the 'tyranny' of British rule."¹²

Third Five-Year Plan (1961–66)

The allotment for family planning in the third five-year plan was much higher, almost Rs. 250 million. The planners now believed that "the objective of stabilizing the growth of population over a reasonable period must be at the very centre of planned development."¹³ Given a population of over 440 million growing at the rate of 2% annum, a falling death rate (down from 24.2 per 1,000 in 1953 to 19.6 in 1963), and an increasing life expectancy (up to 46.6 years in 1961 from 42.1 in 1951), it seemed wise to initiate an even more aggressive family-planning program.¹⁴

One of the objectives for the third five-year plan was to raise national income at least 5% per annum, thus doubling per capita income by the

11. Bhattacharyya, *India's Five Year Plans*, p. 72.

12. Stanley Wolpert, *A New History of India* (New York: Oxford University Press, 1977), p. 362.

13. *The Third Five Year Plan* (New Delhi: The Planning Commission, 1961), p. 675.

14. *Demographic Yearbook, Historical Supplement* (New York: U.N. Publications, 1979), p. 135, and Chandrasekhar, *India's Population*, p. 20, citing the *Census of India*, 1951 and 1961. By 1968, life expectancy at birth for Indians was 51 years. It remains about the same today.

early 1970s. As the plan years proceeded, however, "it became clear," says one Indian economic analyst, "that even with a sustained rate of income growth at 6 percent per annum the per capita income could not be doubled by 1973-74."¹⁵ The third plan, he continued, "fell below all expectations." By the end of the plan in 1966, "the per capita national income was no higher than at its beginning, about Rs. 310 at 1960-61 prices."¹⁶

The government stepped up the family-planning program. By 1963, it changed direction and shifted toward communicating with and motivating those who had thus far shown no interest in family planning. Under the new "extension approach," new methods of birth control were introduced, in fact every known method other than the Pill. The government particularly favored the IUD, or loop, introduced in 1965, and sterilization—vasectomies for men, tubectomies for women. By the end of the third plan in 1966, the government reported that over 800,000 IUDs had been inserted and 1.5 million sterilization operations had been performed. The number of family-planning centers had increased to 11,474.¹⁷

The Plan Holiday (1966-69)

So serious had the nation's economic problems become by 1965 that the Indian government, now headed by Prime Minister Indira Gandhi, decided to defer five-year planning in order to give the country time to stabilize. During the Plan Holiday from 1966 to 1969, India had only annual budgets. It was during this period, however, that the government launched what would become the largest and most vigorous government-sponsored family-planning program in the world. It is quite clear that by 1967 Prime Minister Gandhi and her followers had decided that unless the rate of population growth was brought down, Indian economic progress would continue to elude them. Sripati Chandrasekhar, Mrs. Gandhi's minister of health and family planning, proclaimed in 1967 that "the greatest obstacle in the path of overall economic development is the alarming rate of population growth."¹⁸ He was well aware of the argument that industrialization would eventually take care of the population increase; but, he maintained, India "cannot just wait

15. Bhattacharyya, *India's Five Year Plans*, p. 76.

16. *Ibid.*, pp. 80-81.

17. *The Fourth Five Year Plan—A Draft Outline* (New Delhi: The Planning Commission, 1965), pp. 346-349.

18. Chandrasekhar, *India's Population*, p. 24. "Family Planning" was added to the title of the Minister of Health in 1967.

and let time take its course while a desirable balance between births and deaths is leisurely evolved The relationship between fertility decline and economic growth has always been in some measure a chicken-and-egg affair. One presupposes the other."¹⁹ Government leaders decided to proceed with industrializing and with modernizing Indian agriculture as rapidly as possible, but deemed it wise not to ignore the problem of rapid population growth. Their intent was to bring down the rate of growth if for no other reason than to speed up the rate of economic progress. In 1968, Joseph Lelyweld, the *New York Times* correspondent in New Delhi, said, "Everywhere else where population control has been effective, it has come mainly as a by-product of modernization and social change. The Indian aim is to reverse the process—to make population control an agent of social change."²⁰

So in 1967, Indira Gandhi's government instituted a crash program to reduce the birth rate in India from 41 per 1,000 to 25 or even 20 as quickly as possible, but at least by the mid-1970s. And Chandrasekhar, who had already made a name for himself as a demographer and as an ardent believer in the need for family planning in India, was appointed minister of health and family planning. There was probably no one in India more convinced than he that what the country needed first and foremost was a very aggressive program in family planning. He brought an infectious enthusiasm to his position and a determination to see the birth rate reduced to 30 per 1,000 by 1971 and to 25 by 1975. In order to finance the expanded program, Chandrasekhar visited with President Johnson in early 1968 and got a pledge of \$435 million in loans and credits from the United States. In the health minister's view, the major obstacles to family planning in India were: (1) inadequate supplies of contraceptives; (2) a shortage of trained personnel; and (3) lack of a national network of mass communications to publicize the advantages of birth control.

The problem of supplies was the easiest to solve. The methods of birth control pushed by the government included sterilization, a technique preferred because once performed, it required no further visits or supplies and was considered a permanent solution. By the late 1960s, the government of India began to offer incentives to individuals who would present themselves for sterilization. The procedure was, of course, free to the patient, who also received from Rs. 25 to Rs. 50 to offset any wage losses, transportation costs, or incidental expenses the individual might

19. Chandrasekhar, *Infant Mortality*, p. 268.

20. Joseph Lelyweld, *New York Times Magazine*, January 14, 1968, Sec. 6.

incur. In addition, government employees were given five days off from work. Businesses were encouraged to participate in the program; and some, such as the Tata industries, did indeed offer such incentives as Rs. 250 plus a number of days off for a vasectomy after the third child. By the end of 1970, seven million sterilizations had been performed in India without, however, any inducement other than incentives such as those mentioned.

Another method favored by the government was the IUD, or intrauterine device, which once inserted requires no further care by the recipient. It had the advantages of being effective, reversible, and acceptable, at least at first. By the end of 1970, four million IUDs had been accepted. The devices posed, however, at least two major problems. Ten percent of the women who received IUDs suffered excessive bleeding, and about 6% experienced involuntary expulsion. Obviously, more research was needed on the device.

The condom has been a popular method of birth control at least since the vulcanization of rubber in the 1840s, and three-hundred million were used each year in India alone. In 1968-69, the United States provided 200 million; India produced the remainder. In 1966, a government-owned factory, Hindusthan Latex Limited, was set up in Trivandrum to produce condoms, and by the early 1970s, India was self-sufficient. One of the major problems with condoms, however, was how to distribute them. They were, of course, available in family-planning centers throughout India, but these hardly reached the masses of the people. So the government gave supplies to postmen, school teachers, and other such individuals who then sold the condoms for three for five paise—i.e., three for less than a penny. In addition, business firms with extensive marketing outlets throughout India, especially in the rural areas, were persuaded to help. Companies such as Union Carbide India, Western India Match Company, Lipton India, Brooke Bond India, Hindustan Lever, and the Imperial Tobacco Company sold condoms through their more than 400,000 sales outlets at three for 15 paise (around two cents), retaining eight paise for every three condoms sold.²¹

One of the latest contraceptives on the market in the 1960s was, of course, the Pill. The Indian government resisted introducing this new drug partly because of the expense of importing the pills but also because of the controversy the drug had sparked in Western nations. Nevertheless, with financing by the U.S. Agency for International Development, a pilot program was set up in 1968 to test whether the Pill would be acceptable to Indian women. Two American companies, Searle and

21. Chandrasekhar, *Infant Mortality*, p. 274.

Wyeth Laboratories, set up plants in Bombay to supply the pills. Whether the drug will ever become as popular in India as in Western nations remains to be seen. Its use increased in the 1970s, but its expense, controversy over its side effects, and the need to remember to take a pill every day remain major drawbacks.

Currently favored by groups such as the World Health Organization, the International Planned Parenthood Federation, and the Agency for International Development is the controversial drug Depo-Provera (DMPA). First introduced in 1959 as a treatment for amenorrhea (lack of menstrual flow) and potential miscarriage, the drug was condemned by the U.S. Food and Drug Administration in 1974 when it was linked to an increase in the incidence of birth defects. Further research with dogs and monkeys indicated the possibility of increased risk of cancer, causing the FDA to deny approval in 1978 and again in 1982. The drug is used in roughly 80 countries throughout the world; and its manufacturer, the Upjohn Company, insists it is absolutely safe. Robert N. Hoover of the National Cancer Institute, however, views it as a "worrisome drug" and opposes its approval as a contraceptive.²² Should Depo-Provera be approved by the FDA for use in the United States, the health ministries of a number of countries in the Third World would most likely approve it as well. Proponents say the drug is more effective and convenient than any contraceptive now available since it requires only one injection every three months, but opponents argue it causes cancer in animals and produces unacceptable side effects in humans.

The diaphragm, a method of contraception widely used in the U.S., proved to be too complex for use among the largely illiterate and primitive villages where 80% of the Indian population live. Other methods such as the rhythm method, foam tablets, and jellies were considered too unreliable, but all methods were made available. We use, said Health Minister Chandrasekhar, what we call the "cafeteria approach," that is, we provide "all the methods known to us which are scientific, which are acceptable, which the women would like, because each case differs from the other."²³ There is, however, as yet no ideal contraceptive—i.e., a device that is *simple* to understand and use, *cheap*, *reliable*, *safe*, and above all *acceptable* in any cultural milieu. The frustrations of dealing with the known methods of contraception led at least one wag to suggest "intro-

22. Allan Chen, "Depo-Provera Under Scrutiny," *Science News*, 123 (February 19, 1983), p. 123.

23. Interview with Dr. S. Chandrasekhar, Minister of Health and Family Planning, "Too Many People—Is India Facing Disaster?," *U. S. News & World Report*, April 3, 1967, p. 92.

ducing an effective anti-fertility agent in the drinking water supply which would sterilize and then rationing an antidote, providing each family with one or two children."²⁴

By 1968, India had over 26,000 family-planning clinics in addition to almost 9,000 hospitals and health centers providing birth-control information and supplies. By 1970, the number of clinics had increased to nearly 45,000 with more than 41,000 located in rural areas, along with 862 mobile units. The government was determined to reach the hinterlands of India, but the problem was staffing such a large number of facilities with adequately trained personnel. The government directed medical colleges to include family-planning courses in their curriculums and offered scholarships to students and government-paid internships to those who would serve their intern period in rural areas. During the first three five-year plans, the government had worked through its own medical staff in implementing the family-planning programs. In 1967, some 35,000 private practitioners were brought into the government program with a mutually agreed upon payment plan. The new system helped somewhat, but the lack of trained personnel to staff family-planning centers remains a problem, especially in rural areas.

In order to convey to the Indian people the advantages of small families and thus motivate them to practice family planning, the government undertook an extensive media campaign in the late 1960s. As the symbol of the campaign the planners chose a red triangle, inverted to convey the idea of a decreasing birth rate. The triangle was simple and striking, different from other symbols, easy to draw, and, above all, easy to identify. It was displayed on family-planning clinics, posters, buses, trains, and family-planning workers. It became in the 1970s, Chandrasekhar proclaimed, "an indicator of where to find family-planning help, services and supplies, and a constant reminder of the country's determination to win the population battle."²⁵ The government made a concerted effort to increase the channels through which the family-planning message of "Happiness is a Two-Child Family" could be conveyed. A simple drawing of four stylized faces of a happy couple and their two children served to illustrate the message. "The years 1966 to 1969 were significant in the history of family-planning communication in India," claims Sumanta Banerjee, the author of a 1979 study of such communications. "The pattern of diffusion of knowledge itself underwent a dramatic change with the incorporation of simple slogans and a

24. Chandrasekhar, *Infant Mortality*, p. 290, citing an unnamed source.

25. *Ibid.*, p. 272.

universally accepted symbol."²⁶ But the success achieved was only marginal. Not only were the channels of communication inadequate in both number and quality, whether in the form of print, radio, or film, but the messages carried were primarily merely informative rather than motivation oriented. The end result, Banerjee concluded, was that "knowledge about family planning went up sharply in the 60s But the level of adoption [of family planning] remained at a minimal point."²⁷ Even by 1971, the mass media reached less than 25% of the population.

Fourth Five-Year Plan (1969–74)

The methods and procedures initiated by the government in the late 1960s were continued in the fourth five-year plan. The leaders still hoped to reduce the birth rate, which was 39 per 1,000 in 1968, to 32 by the end of the fourth plan. Accordingly, they appropriated Rs. 3,150 million (\$420 million) for family planning, but this still only amounted to one-half of a percent in the total plan outlay. The drive to increase the number of sterilizations was stepped up, but the rate of growth persisted at 2.2% per annum during the plan period. The 1971 census showed a national population of 548.2 million with a death rate of 16 per 1,000, down from 20 per 1,000 in 1961. At the same time, life expectancy at birth had risen from 45 years in 1961 to 51 years. The lower death rate and the subsequently longer life span were attributed primarily to the introduction of modern medical technology and the eradication of malaria, and to the Green Revolution, which had brought a significant increase in agricultural output through the introduction of a number of scientific discoveries, such as new types of wheat and rice that did well in the Indian climate. And the daily per capita intake of calories had increased to 2,100 by 1969. Improvements such as these, however, merely aggravated government efforts to slow the rate of population growth.

Events in the early 1970s cast an aura of gloom over the whole exercise of economic planning. A crisis in Pakistan in March 1971 brought ten million East Pakistanis streaming over the Indian borders by year's end. Adverse climatic conditions slowed the Green Revolution, and the 1973-75 world oil crisis resulted in spiraling inflation. Such unforeseen problems caused some to dismiss long-term economic planning as a futile academic exercise. The objective of reducing the birth rate from 39 to 32

26. Sumanta Banerjee, *Family Planning Communication: A Critique of the Indian Programme* (New Delhi: Radiant Publishers, 1979), p. 13.

27. *Ibid.*, p. 16.

per 1,000 went by the board. At the beginning of the fifth five-year plan in 1974, the birth rate stood at 35 per 1,000 and would persist at that level to this day. Meanwhile, the population of India had reached 600 million.

Fifth Five-Year Plan (1974–79)

India has certainly made economic progress over the past thirty years. The country has the world's ninth largest industrial economy and has become virtually self-sufficient in terms of food production.²⁸ India's problems, however, remain almost mind-boggling. The major problem, as India's leaders saw it in the mid 1970s, was that economic growth had failed to improve living conditions for the masses and had helped only a relatively small number. One of their major objectives in the fifth five-year plan thus was to distribute the fruits of economic growth more equitably. One way, of course, was to reduce the number of individuals who would share in the wealth, at least in the future. "We must now act decisively," said Indira Gandhi, "and bring down the birth rate speedily to prevent the doubling of our population in a mere 28 years. We shall not hesitate to take steps which might be described as drastic."²⁹ During the time of the Emergency, June 1975 to March 1977, Mrs. Gandhi exercised dictatorial powers in India and allowed her son Sanjay to conduct one of the most aggressive and repressive sterilization campaigns the world had ever seen.

We profess in Western nations to believe that in spite of its clumsiness, democracy is still the best system to accomplish a society's goals, given the alternative of dictatorship. Indians, perhaps as a direct heritage from their former British rulers, have professed the same belief. But, as one Indian author reminds us, "democracy is a difficult and, for the rulers, the most inconvenient system to work."³⁰ Consequently, it should perhaps be no surprise that on occasion leaders become impatient and strain to be delivered from the necessity to persuade and cajole their followers into what they, the rulers, believe to be the right road to travel. This may explain at least in part why Indira Gandhi and Sanjay Gandhi came to the conclusion that the only way to stop what they viewed as a disastrous rate

28. "India, An Economic Survey," *The Economist*, March 28, 1981, p. 8 of a 52-page insert.

29. Mrs. Gandhi's Inaugural Address to the 31st joint conference of Associations of Physicians of India, New Delhi, January 22, 1976, cited in "Background to the News," published by the Research and Reference Division of the Indian Ministry of Information and Broadcasting.

30. Sachchidanand Sinha, *Emergency in Perspective: Reprieve and Challenge* (New Delhi: Heritage Publishers, 1977), p. 17.

of population growth and bring the birth rate down to an acceptable level was to force people to act in their own self-interest and submit to sterilization.

A government policy of patient persuasion through communication thus shifted during 1976 to one of direct pressure to accept sterilization. Sanjay announced a national target of 4.3 million sterilizations for the period April 1976 through March 1977, a goal more than twice the number recorded in the previous twelve-month period. The states were assigned sterilization quotas. Thinking they could perhaps advance their own political future by jumping on Sanjay's bandwagon, many state leaders "vied with one another," according to one critic of the program, "in improving on the quota fixed for their respective states."³¹ "The state quota for Uttar Pradesh had been set at 400,000," for example, "but the chief minister raised it to 1.5 million."³² In April 1976, the state government of Rajasthan "decided to make sterilization compulsory after two or three children if persuasion failed."³³ In at least two states, Haryana and Punjab, government employees who had at least two children were told they would "be henceforth denied certain facilities, like government accommodations, or loans, or maternity leave in the case of women employees, unless they got themselves sterilized."³⁴ Public employees were drafted to bring in "volunteers." If they failed to do so, they faced a possible loss of salary or of regular salary increases, and even dismissal.

Newspapers in India carried stories of the fear and coercion unleashed in the sterilization campaign. Most of the stories appeared, however, only after Indira Gandhi lifted censorship of the press in early 1977 after calling for new elections. Even if only half true, the stories of repression and coercion reported in the newspapers are shocking. In Bihar alone, for example, according to the *Statesman*, "some 50,000 government employees had their salaries withheld for three months and 600 more were sacked" for failing to find volunteers or refusing themselves to be sterilized.³⁵ Such tactics compelled public employees to use whatever means necessary to meet their quotas. The *Guardian* reported that police in cities such as Delhi and Bombay periodically arrested people in the streets and drove them to sterilization clinics.³⁶ In April 1977, *Time*

31. Dilip Hiro, *Inside India Today* (New York: Monthly Review Press, 1976), p. 290.

32. "The Issue That Inflamed India," *Time*, April 4, 1977, p. 39.

33. Banerjee, *Family Planning Communication*, p. 173.

34. *Ibid.*, p. 32.

35. Hiro, *Inside India*, p. 291, citing the *Statesman*, March 11, 1977.

36. *Ibid.*, citing the *Guardian*, November 10, 1976.

magazine carried a story of a community that rebelled against forced sterilization, and 56 people were killed in the clash between citizens and police.³⁷

The sterilization target set for the period April 1976 through March 1977 was exceeded by 3.5 million in a little over nine months. Its effectiveness in actually bringing down the birth rate, however, was challenged by critics who claimed that many, if not most, of those sterilized would not have affected the birth rate anyway. In one state, Uttar Pradesh, a study "showed as much as 62 percent of the vasectomies to have been performed on persons who could have no demographic impact whatsoever."³⁸ Some had wives aged 45 or older while others were widowed or separated or never married.

Some critics feel that it was primarily Sanjay Gandhi's sterilization campaign that ultimately brought down his mother's government. In those areas where the campaign had been most vigorously pursued, in northern and central India, the Congress Party won only four of 245 parliamentary seats. Among the defeated candidates were Indira Gandhi and Sanjay. What finally brought an end to the period of the Emergency, claimed one writer, was the mass sterilization campaign. It mobilized the masses, he said, by making them realize "the difference between dictatorship and democracy."³⁹

Since 1977, the government of India has emphasized the need to integrate family planning into the total health and welfare program of the country. Family planning is no longer viewed with the faith and confidence that promoted government leaders in the 1960s and early 1970s to promote it as a panacea for many of the nation's problems. In June 1977, a renamed Ministry of Health and Family Welfare issued "A Statement of Policy" setting forth a new integrative approach to family welfare:

Family planning has . . . to be lifted from its old and narrow concept and given its proper place in the overall philosophy of welfare. It must embrace all aspects of family welfare, particularly those which are designed to protect and promote the health of mothers and children. It must become a part of the total concept of positive health. At the same time, it must find meaningful integration with other welfare programmes, viz., nutrition, food, clothing, shelter, availability of safe drinking water, education, employment and women's welfare. It will be our endeavor to bring about this integration in a greater degree.⁴⁰

37. "Inflamed India," *Time*, April 4, 1977, p. 39.

38. Banerjee, *Family Planning Communication*, p. 34.

39. Sinha, *Emergency in Perspective*, p. 70.

40. "Family Welfare Programme: A Statement of Policy," Ministry of Health and Family Welfare, Government of India, New Delhi, June 29, 1977.

Since her reelection in 1980, Indira Gandhi has maintained the integrative approach begun by the preceding government. There is in the new policy a recognition that a family-planning program can contribute significantly to individual personal well-being, but that it cannot be viewed as the single, most important factor in reducing the national rate of population growth.

Assessing the Impact of India's Family-Planning Program

In spite of the drastic measures taken in the mid-1970s to bring down India's population growth rate, perhaps the amazing thing is that they appear to have had little effect. The rate of growth still stands at 1.8%; some demographers claim it may actually still be over 2%.⁴¹ After years of concerted effort in promoting family planning, why hasn't India been more successful in slowing its rate of population growth? Is there any way to attain the elusive birth rate of 20 per 1,000, a rate that would provide zero population growth? These are questions that have drawn the attention of numerous demographers and social scientists, especially in the 1970s. Too often, however, studies on family planning have produced results that "merely eulogize what has been done by the Government to make the movement successful and tend to serve the purpose of propaganda [more] than that of assessment."⁴² Nevertheless, some of the studies have brought a new understanding of the assumptions made by family planning leaders in India.

Studies of India's family-planning efforts have been pursued diligently ever since the government initiated its program in the early 1950s. In the first five-year plan, policy makers provided for "intensive studies about the attitudes and motivations affecting family size and techniques and procedures for the education of the public on family planning." The second plan included provisions for demographic research and for studies on methods of communication. Kamala Gopal Rao in 1974 published a very useful survey of over 550 studies done in India during the period from 1951 to May 1974.⁴³ She divided the studies into four major categories: (1) fertility studies aimed at estimating fertility and mortality

41. "India, An Economic Survey," *The Economist*, March 28, 1981, p. 48 of a 52-page insert. The U.S. Bureau of the Census estimated that the annual rate of growth in India was between 1.9% and 2.2% in 1981. *Demographic Estimates for Countries with a Population of 10 Million or More: 1981* (Washington D. C., 1981), p. 63.

42. Ramkrishna Mukherjee, *Family and Planning in India* (New Delhi: Orient Longman Ltd., 1977), p. 70.

43. Kamala Gopal Rao, *Studies in Family Planning: India* (New Delhi: Abhinav Publishers, 1974).

trends; (2) attitudinal or KAP (knowledge, attitude, and practice) studies to assess knowledge of and attitudes toward family planning; (3) studies on acceptance and use of contraceptives; and (4) studies on family-planning organization and administration. All were based primarily on the neo-Malthusian view that population growth is the major obstacle to development, and thus to progress in India, and that one can successfully attack the problem directly with a vigorous family-planning program aimed at dispensing knowledge and materials.

By the early 1970s, the studies indicated that the family-planning program in India was not producing the desired result. In 1951, the estimated birth rate had been about 41 per 1,000, and in 1971 it remained virtually unchanged in spite of a significant increase in the program in the late 1960s. In the 1970s, the government instituted, as we have noted, a much more vigorous sterilization project culminating in the debacle initiated by Sanjay Gandhi in the mid-1970s: By 1976, India's birth rate had dropped to 35 per 1,000 where it remains today.⁴⁴ So much for the hope of policy makers in the 1960s of dropping the rate to 25 by 1975!

In 1977, the Indian government shifted gears and has henceforth treated family planning not as a great panacea in and of itself, but merely as an important part of a comprehensive program of health and welfare measures. What brought about this significant shift in policy?

One contributing factor, of course, was the national revulsion at the repressive and sometimes brutal methods used by Sanjay Gandhi in the mid-1970s to impose sterilization upon the Indian people. A democratic society will not long tolerate such tactics. The reaction undoubtedly prompted the government that replaced Indira Gandhi's in 1977 to take a new approach. "The National Family Planning Programme," said Dr. V. N. Patankar, director of the Operations Research Group in Baroda, "received a serious set-back because of the excesses committed in promoting sterilisation during the period of emergency in 1975-77."⁴⁵ Researchers, however, had already questioned whether dispensing contraceptives and urging people to use them or be sterilized could ever really be effective in reducing the population growth rate.

Harvard University, for example, sponsored a very thorough six-year study in the 1950s in cooperation with the Indian government, with a

44. The Indian Department of Statistics reported a birth rate of 42.8 for 1971 and 34.4 for 1976. The 1981 projected rate, according to the U.S. Census Bureau, was 33-35 per 1,000.

45. M. E. Khan, C. V. S. Prasad, and Ashok Majmudar, *People's Perception About Family Planning in India: A Study of Andhra Pradesh and Bihar* (New Delhi: Concept Publishing Company, 1980), p. vii, Preface.

follow-up study ten years later. The Khanna Study, as it was called after the Punjab village where the project's field headquarters were located, had as its goal to understand and discover ways to modify population pressure in the study area, or in the words of the study directors themselves, "to study people, their circumstances, and their way of life in order to achieve a clearer understanding of the causes and consequences of rapid population growth."⁴⁶ One of the major conclusions of the study was that the individuals involved must be convinced that having fewer children is to their advantage before they will act in their private lives to slow population growth.

The Khanna Study, though carefully constructed and thorough in its methods and findings, was after all a Western-oriented project complete with the neo-Malthusian viewpoint that population pressure is the main obstacle to progress and must therefore be attacked head on with an extensive family-planning program. An Indian writer, Mahmood Mamdani, criticized the study primarily for its Malthusian perspective. Such studies, Mamdani contended, merely conclude that the problem is overpopulation and that the solution is "to disseminate contraceptive devices and to 'educate' individuals about the importance of using them, rather than to seek to alter the social circumstances and thus to change the social basis of the individual act."⁴⁷ He was particularly critical of the Harvard team for not understanding why rural Indian families shun family planning and feel it is economically necessary for them to have large families. He accused the researchers of being too eager to get the villagers to accept birth control and of exaggerating their success, partly by misinterpreting villager responses. "For the overwhelming majority (nearly 95 percent) participating directly or indirectly in the agricultural economy," he said, "a large family is a necessity."⁴⁸

The Khanna Study was part of the Indian government's objective in its first two five-year plans to study the population problem in order to understand it and thus be better able to deal with it. Whether government leaders consulted the study at all during the 1960s is not evident; but what is clear is that efforts by the government to institute a vigorous family-planning program in the late 1960s still had very little effect on population growth. "Despite considerable efforts," said Chandrasekhar in the early 1970s, "family planning has not yet become a part of the

46. John B. Wyon and John E. Gordon, *The Khanna Study: Population Problems in the Rural Punjab* (Cambridge, Mass.: Harvard University Press, 1971), p. 15.

47. Mahmood Mamdani, *The Myth of Population Control: Family, Caste and Class in an Indian Village* (New York: Monthly Review Press, 1972), p. 20.

48. *Ibid.*, p. 144.

marital mores of the more than a hundred million married couples in India."⁴⁹ Not so, said Ramkrishna Mukherjee in the mid-1970s. "My studies indicate", he said, that "people have a distinctive fertility pattern" and are "not involved in the production of children ad nauseam." In other words, "people are involved in positive action toward limiting their family size." The problem arises from the fact that "their goals are different from those imposed by the planners."⁵⁰ His research seemed to suggest that it is necessary to determine what the people's goals are and, if possible, change these in such a way as to motivate couples to have smaller families. With that objective in mind, researchers conducted a series of surveys in various parts of India. These surveys, said Sumanta Banerjee, indicate that "knowledge of family planning has gone up and the bulk of the fertile population have a favourable attitude towards family planning. But the level of adoption of family planning measures remains much lower than the levels of knowledge or attitude . . . There appears," she continued, "to be some strong resistance to . . . family planning."⁵¹

The government's adoption during the 1970s of a program offering incentives to those who would agree to be sterilized appeared to be based at least in part on the belief that the Indian people do not know what is best for them and thus must be motivated to limit their families by offering them material incentives, such as an amount in rupees, a few days off from work, and/or some desired item, such as an inexpensive transistor radio. The government also encouraged industries throughout India to help by offering similar incentives to their workers. Just how effective such material rewards are in motivating individuals to accept sterilization became the subject of a study by M. E. Khan and C. V. S. Prasad in the late 1970s.⁵² They compared four Tata factories offering sizable incentives for sterilization, about Rs. 200, with four non-Tata factories giving less in the way of incentives, about Rs. 25. They studied statistics on sterilization gathered by the firms and interviewed 500 workers who had accepted the operation. Some of their conclusions were rather startling. Prior studies of incentives had concluded that such rewards did indeed motivate a higher rate of adoption of sterilization.⁵³

49. Chandrasekhar, *Infant Mortality*, p. 254.

50. Mukherjee, *Family and Planning*, p. 71.

51. Banerjee, *Family Planning Communication*, pp. xi-xii.

52. M. E. Khan and C. V. S. Prasad, *Fertility Control in India: A Critical Evaluation of the Role of Incentives in Promoting Sterilization Among Industrial Workers* (New Delhi: Manohar Publications, 1980).

53. *A Study on the Evaluation of the Effectiveness of the Tata Incentive Programme for Sterilization* (Bombay: Research and Market Services, 1969). Researchers compared four Tata industries and five non-Tata industries.

Khan and Prasad concluded otherwise. The workers in their study had, on the average, a little over four living children, and the majority were found to have a favorable attitude toward family planning. What was most important, then, in motivating them to accept sterilization? Was it the prospect of receiving a bonus incentive, or were other factors more important? Khan and Prasad used a multiple regression analysis whereby factors could be isolated and tested for their importance in motivating the acceptors. What they found was that while extension agents armed with large cash incentives would certainly be more successful in promoting sterilization than agents without such lures, incentives did not in and of themselves provide the main motivation for accepting sterilization. A number of other variables were more crucial to the workers in deciding to accept sterilization, factors such as number of living children and the number of sons. In both cases, the higher the number, the more receptive the individual. "People would accept vasectomy and tubectomy only when their desire for children is satisfied and when they have at least two sons."⁵⁴ Incentives will undoubtedly continue to be used in India, Khan and Prasad concluded, but they are not the answer to motivating couples to accept family limitation when they have fewer than four children or fewer than two sons.

Some have proposed raising the marriage age as a way to force couples to have smaller families. Accordingly, the government has over the years raised the legal age for marriage. In 1929, the Child Marriage Restraint Act set the age for girls at 14 years; in 1956, it was raised to 15 for females, 21 for males. The number of children a couple can have even if they don't marry until age 25 is still so high, however, that raising the legal age will probably not have much effect on the birth rate. "Even if . . . raised as much as a decade," says Chandrasekhar, "the reduction in the number of children born would not be significant."⁵⁵ There is some evidence to indicate, however, that "girls marrying at a later age favour and adopt family planning measures much more readily," whether as a result of being more mature, having greater opportunities for education, training, and employment, or a combination of these.⁵⁶

Would, then, opening opportunities for women provide a major stimulus to having smaller families? Certainly such a pattern seems discernible in Western societies, though it is still not entirely clear whether the opportunities or the smaller families came first. No one has been a stronger proponent of advancement for women in India than Chandrasekhar, who wrote:

54. Khan and Prasad, *Fertility Control*, p. 180.

55. Chandrasekhar, *India's Population*, p. 37.

56. Chandrasekhar, *Infant Mortality*, p. 285.

Purposeful education and consequent economic freedom will enable women to decide when and whom they will marry, whether they will be homemakers or career women or both, how many children they will choose to bear and rear and when they will have them. Then almost all the children will be wanted ones. This will be both the cause and consequence of the biological emancipation of the women of India.⁵⁷

In a nation suffering from an already high rate of unemployment, a literacy rate of 36%, and a rural population equal to 80% of the total, some have suggested that at this point it is rather futile to think of greater opportunities for women as anything but a very long-range, desirable objective that may indeed someday help to slow the rate of population growth in India. Banerjee described the situation as follows:

An important programme like family planning which involves the participation of women, can hardly succeed unless the women are properly educated and helped to articulate their problems. The present state of ignorance and backwardness in which the Indian rural women are steeped is an ideal breeding ground of superstitions and orthodoxy that will stand in the way of adopting new programmes. How can one hope for the emancipation of rural women, unless there are productive jobs for all and child care facilities available, so that virtually all women of working age become economically active and delayed marriage becomes a viable strategy?⁵⁸

Still others claim the crux of the population problem lies in the high infant mortality rate. If parents could be assured that their offspring would live to adulthood, the argument goes, then they would feel they could have fewer children. The problem with this approach is that to bring down the infant mortality rate would be to bring an even further decrease in the death rate. At the same time, a lower infant mortality rate still would not affect a couple's desire for two sons, and since any number of calamities can befall one son, having two is a way of insuring oneself against such a tragedy. Thus, lowering the infant mortality rate would not negate a couple's desire for two sons. Certainly India's infant mortality rate—125 per 1,000 live births in the period 1973–78⁵⁹—should not be tolerated by any country and should be decreased. Yet, if the infant mortality rate were to fall, the concomitant decreased death rate could well exacerbate rather than alleviate the problem of population growth.

What then are the factors that appear to be the most important in

57. *Ibid.*, p. 286.

58. Banerjee, *Family Planning Communication*, p. 174.

59. *Demographic Estimates*, U.S. Department of Commerce, Bureau of the Census, Washington, D.C., 1981, p. 63.

motivating couples to space and limit the number of children they have? First of all, Mukherjee's study shows that people have a distinctive fertility pattern. In other words, people do, consciously or subconsciously, plan their families. What they want first and foremost, he says, are sons, and at least two sons in case something happens to one of them. In order to have those two, Mukherjee concludes, most couples find they must have at least four children. A couple cannot produce two sons without the average probability of producing also two daughters. Thus, he says, "Indian couples *en masse* set the limit at four children." We must understand this, he continues, if we are "to make any family planning movement effective and turn it into a self-generating process," a goal of any family-planning program.⁶⁰ Mukherjee's findings are supported by Khan's and Prasad's study of industrial workers as acceptors of sterilization. The workers had, on the average, over four children already; therefore, if Mukherjee is correct, it is no surprise that acceptance of sterilization among the workers was high and that their acceptance was less a result of the presence of material incentives than their already having what they viewed as an adequate number of children.

Why the urgency among Indian couples to have sons? Some say it is because Hindu scriptures indicate that only a son can rightfully perform the necessary oblation to deceased ancestors and that no Hindu can have a peaceful afterlife without funeral offerings from a son. Mukherjee, however, concludes that religious beliefs have little effect. "Sons for survival in the *present* life . . . stands out as the foremost reason why the Indian people want them" (emphasis added).⁶¹ They are needed for survival in old age. Gone are the days when prosperous villagers cared for their less fortunate neighbors. Other kinsmen are hard pressed to look after their own family members, and daughters are obligated to follow their husbands, thus leaving the sons to care for their parents. In her study on family-planning communication, Banerjee said:

The desire to have a son rather than a daughter is still very strong in the villages. This conformity to prevailing social norms has an economic motive, since sons are perceived as economically valuable i.e., sharing the burden of family work, especially by farm people.

Besides, children are perceived as a means of providing retirement benefits to

60. Mukherjee, *Family and Planning*, p. 30.

61. *Ibid.*, p. 47. A survey conducted in 1970-71 showed that "56 percent of the couples desire a son 'to support the family' and 42 percent 'to carry on the line' as against less than 4 percent for 'religious and/or social consideration' and 2 percent for 'satisfaction in life.'"

their parents in old age, especially when social security from governmental sources [is] not available.⁶²

Thus, there appear to be two major reasons why couples want sons: (1) to provide for their parents in old age, and (2) to share the burdens of farm labor. In assessing the overall conclusions of the hundreds of research studies included in her survey, Rao urged that less emphasis be placed on family planning and more on health and welfare measures. The action needed, she said, "is not in terms of family planning services only but involves large scale economic, health care and social welfare measures which need considerable financial resources and implementation machinery."⁶³

In 1977, the government took the advice of researchers and merged family planning into a more comprehensive health and welfare program. There are those who feel, however, that if the government is serious about motivating couples to have fewer children, then it will have to move more quickly in the direction of giving substance to the government pledge in the 1950 Constitution to "make effective provision for securing the right to work, to education, and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want." As long as parents must depend upon their children for protection against economic and natural disasters not of their own making, they will continue to have what they believe is a sufficient number of children to provide some measure of economic security. As Mukherjee reminds us, "for the overwhelming majority of the Indian people, the survival of a family in the old age of its current provider or in the event of his death remains entirely a family question."⁶⁴ Birth control cannot succeed in a country such as India as long as it contradicts what villagers perceive to be crucial to their vital interests. To them to have fewer children would be to willfully court economic disaster. Happiness is a four-child family—not two.

In conclusion, thirty years of government-sponsored family planning in India have failed to produce the substantial drop in population growth envisioned by policy makers in the early years. What national leaders appear to have learned from experience and from research is that family-planning programs that emphasize conveying knowledge and techniques to couples do not motivate them to have smaller families. One must attack the economic factors prompting parents to desire what

62. Banerjee, *Family Planning Communication*, p. 173.

63. Rao, *Studies in Family Planning*, p. 849.

64. Mukherjee, *Family and Planning*, p. 9.

the policy makers view as too many children. Since 1977, India has moved somewhat in that direction by merging family planning into a comprehensive health and welfare program while at the same time continuing to combat economic inequities. "A development strategy focused on more equitable income distribution and improved services for the poor may be the best hope for breaking the vicious cycle of rapid population growth and poverty which afflicts so many in the developing world."⁶⁵

65. Nancy Birdsall, "Population Growth and Poverty in the Developing World," *Population Bulletin* 35, No. 5 (Washington, D. C.: Population Reference Bureau, Inc., 1980), p. 41.

TRADITIONAL LEADERS AND MODERN PACIFIC ISLAND GOVERNANCE

Norman Meller

The attaining of political independence over the past few decades by the former island colonies of the Pacific, accompanied by the securing of internal self-government by most of those that have not achieved full sovereignty,¹ has covered the vast ocean region with a crazy-quilt pattern of governments. Except for Tonga, each is cut to a modern template, but as expected, many incorporate structural features acknowledging their island areas' traditional past. Only careful study of these various governments in action reveals, on the one hand, how superficial are some of these political nods to custom, and, on the other, how the modern governments fail to accommodate latent traditional power centers. Even in the absence of publicly expressed dissatisfaction, both hold the potential for raising dysfunctional discord that, in some cases, may even lead to the challenging of the very basis upon which the polity rests.

Western Samoa

Western Samoa led the list of Pacific Island nations, securing its independence in 1962, and well serves as an example of the interface between systems of traditional and introduced government. Reflecting the long period of tutelage under New Zealand, with the ending of its status as a United Nations Trusteeship, Western Samoa installed a parliamen-

Norman Meller is Emeritus Professor of Political Science, University of Hawaii, Honolulu.

1. Since 1962, eight Pacific Island countries have attained independence (Fiji, Kiribati, Nauru, Papua New Guinea, Solomon Islands, Tuvalu, Western Samoa, Vanuatu); two other former colonies have become associated states of New Zealand with full internal self-rule (Cook Islands, Niue); and another three in Micronesia are on the brink of becoming associated states of the United States (Federated States of Micronesia, Marshall Islands, Belau). Tonga technically never lost its independence while a British Protectorate, but regained freedom of action only in 1970. Not discussed in this article are Kiribati, Nauru, Niue, Papua New Guinea, and Tuvalu either because of the absence of constitutional recognition of traditional leadership, the absence of chiefs chosen by virtue of ascribed characteristics, or both.

tary system. Without specifically naming them, the new Constitution effectively made place for all of the *tama-a-aiga* ("royal sons"—holders of the four paramount titles) who have long figured prominently in Samoan traditional government. The two *fautua*²—both *tama-a-aiga*—were named joint head of state for life;³ thereafter the Samoan Parliament would chose the person to hold the post. Presumably, a *tama-a-aiga* would continue to be so designated.⁴ Another constitutional provision was made broad enough to include the remaining *tama-a-aiga* by creating a Council of Deputies on which up to three persons could sit.⁵ It functions as an alternative in the absence of the head of state. So with the two *fautua* as joint head of state, one *tama-a-aiga* on the Council, and, on election of the first Parliament, the remaining *tama-a-aiga* becoming the nation's first prime minister, all four *tama-a-aiga* were fitted into the new government.

Two political events flowed from the death of Tupua Tamasese Mea'ole in 1963: His surviving fellow *fautua* now became sole head of state, and his nephew (Tupua Tamasese Lealofi IV), the successor to his *tama-a-aiga* title, was elected to Parliament. The latter challenged the incumbent *tama-a-aiga*, Fiame Mata'afa, for the prime ministership, and won. For a period of three years, Western Samoa faced the novel situation of a *tama-a-aiga* without a formal post in government. However, reflecting the adaptability of Samoan culture, Parliament immediately made a place for him as nominal head of the "Opposition."⁶

With the next election of M.P.s, Fiame Mata'afa regained the prime minister spot, not only terminating the three year interregnum of Tupua Tamasese Lealofi IV, but also coopting him into his cabinet as minister for justice. When Fiame died, Tamasese Lealofi was again designated prime minister by the head of state. However, on the next organizing of Parliament in 1976, he lost out to Tupuola Efi. Eventually, Tamasese was

2. J. W. Davidson, *Samoa mo Samoa* (Melbourne: Oxford University Press, 1967). See pp. 432-433 for definitions of *fautua* and *tama-a-aiga*.

3. *Ibid.*, pp. 371ff.

4. The Samoan Constitutional Convention by resolution, rather than constitutional provision proposed that eligibility be restricted to the *tama-a-aiga*. *Ibid.*, p. 373, footnote.

5. The Council size was fixed at three so as to accommodate all *tama-a-aiga* not participating in active politics, this assuming, of course, that the fourth occupied the Head of State post. *Ibid.*, p. 373.

6. Mata'afa Faumuina Fiame Mulinu'u II deliberately entered politics under the title of Fiame, not as the holder of the *tama-a-aiga* title of Mata'afa. *Ibid.*, p. 396. When Fiame became Prime Minister, and later, at the time of his parliamentary defeat, there were no political parties in Western Samoa, so the "Opposition" represented nothing more than the members who did not support the Tamasese government.

prevailed upon to remove himself from active politics on the death of the original incumbent of the Council of Deputies and to become its sole member. Overt struggles involving the *tama-a-aiga* were thus contained, and all within the dimensions of Samoa's modern government.

With the choice of Tupuola Efi as prime minister in 1976, it appeared that a non-*tama-a-aiga* had come to serve in that leadership post. However, in fact this did not constitute a true break with tradition since Tupuola Efi, as the son of the deceased *fautua* Tupua Tamasese Mea'ole, had actively contested the awarding of the title, but had lost out to his cousin. He remained the major contender for the Tamasese title when it again became vacant.

In Samoan custom, in addition to the four *tama-a-aiga* at the apex of political power exercised through traditional leadership, two groups of *tulafale* (orators) with high titles⁷ formed a comparable function at the local government level. They are known as the Tumua and Pule, serving for the major islands of Upolu and Savaii, respectively.⁸ Prior to the Western takeover of Samoa, they had been the centers of intrigue in the building of alliances, arranging marriages, and engaging in other maneuvers permitted by Samoan custom among the various sectors of the extended *aiga* (family) which were necessary for one person eventually to succeed to a *tama-a-aiga* title. When the Germans sought to put their imprint on the administration of Western Samoa, they faced "the centralized paramount chieftancy [*tama-a-aiga*] and the power of the Tumua and Pule at the local level."⁹ The German governor's goal was to destroy the influence of both in Samoan politics, and he succeeded to considerable degree.

Given recognition as the *fautua*, the *tama-a-aiga* remained in the formal government; the Tumua and Pule enjoyed no parallel treatment. The majority of the delegates in the convention that wrote the Western Samoan Constitution refused to give them any specific recognition in this document.¹⁰ Insofar as the new government of Western Samoa was concerned, the tolling of the death knell by the Germans for the Tumua and Pule was now confirmed. And in fact, with the many modern changes introduced into Samoan culture, there appeared little functional need for

7. A *matai* (titled head of family) has the status of *ali'i* (chief) or *tulafale* (orator). In public affairs the *ali'i* are the titular leaders while the *tulafale* serve as their spokesmen and executive agents. In some cases, titles combine both and are known as *tulafale ali'i* (orator chief).

8. See Davidson, *Samoa mo Samoa*, *passim*.

9. John A. Moses and Paul M. Kennedy (eds.), *Germany in the Pacific and Far East* (St. Lucia, Queensland: University of Queensland Press, 1977), p. 213.

10. See Davidson, *Samoa mo Samoa*, pp. 397, 399.

any government acknowledgement of the two groups of *tulafale*.¹¹ Significantly, though, the co-chairmen of the constitutional convention were the two *tama-a-aiga*, Tupua Tamasese Mea'ole and Malietoa Tanumafili II. The former opposed giving a place to the two groups,¹² and some two decades later, the latter—now sole head of state—became central to another effort allegedly containing a resurgence of the *tulafales'* aim to be a formal part of the national government.

In 1982, Va'ai Kolone became prime minister as head of Western Samoa's first organized party composed of Samoans, the Human Rights Protection Party. The HRPP was known as "pro-Pule and Tumua (favoring a more democratic distribution of power)."¹³ Va'ai's defeat of Tupuola Efi demonstrated that a "commoner" could indeed rise to that position. A few months thereafter, when Va'ai lost his parliamentary seat in a court contest of the election, Malietoa, as head of state, within less than a day again designated Tupuola Efi as prime minister.¹⁴ At the same time, Malietoa also proposed that a coalition government be formed. Rumors abounded of how all this represented an attempt by the *tama-a-aiga* to preserve themselves in power. Several months later, with the HRPP again claiming a slim majority after by-elections, Parliament for a second time rejected Tupuola and replaced him with another HRPP "commoner" as prime minister.

This account has been tortuous, covering a span of 20 years. The flow of events since Samoan independence lends credence to the thesis that the failure to accommodate both traditional power centers in the modern government, and, instead, providing for only one, institutionalized an imbalance that subjected Western Samoa to the potential of continuing political tension. A report on the reapportionment of Parliament, issued in 1981 toward the end of Tupuola Efi's full second term as prime minister, appears to bear this out.¹⁵ Witnesses before the Select Commit-

11. Over the interim since independence, discrete inquiry by the author revealed that a role was still played in the functioning of the new government, although in a wholly Samoan way. When the newly elected members of Parliament assembled to organize, Fiamē (Mata'afa) called for proceeding *fa'a Samoa* (Samoan style), which not so incidentally increased his chances of occupying the prime minister post. On those occasions, appropriate *tulafale* M.P.s, "for the honor of the Tumua and Pule" would briefly speak in ceremonial terms, setting the action underway. None of this is reported in the Hansard of Western Samoa.

12. Personal communication from J. W. Davidson, adviser to Samoan members of the Convention.

13. *Pacific Magazine*, 7:6 (December 1982), p. 13.

14. *Ibid.*, p. 12.

15. Legislative Assembly of Western Samoa, "Report of Select Committee Appointed on Motion by Parliament to Investigate whether there is Need to Amend Article 44 (1) (2)

tee advocated that "special Parliamentary representation be formulated for Tumua and Pule in addition to the present Parliamentary membership.¹⁶ Rather than just that, the Select Committee recommended a separate body, a "House of Eleven," to be established "for Tumua and Pule which would [also] incorporate the *Tama-a-aiga* into the political framework of Western Samoa."¹⁷ Nothing came of the report, but there is the strong suspicion that this effort at formally combining the two traditional power centers, separate from the elected Parliament, was designed to overcome the disturbing skewing contributed by the Constitution and its conventions.¹⁸

Tonga

The adjoining area of Tonga constitutes the last of the Polynesian monarchies. Technically, it has always retained its independence, but in fact only in 1970 did Great Britain relax its controls that had effectively limited Tongan sovereignty for almost a century.¹⁹ Today, a hereditary king continues to exercise powers reflective of those of European monarchs at the time the 1875 Constitution was drafted.²⁰ By virtue of the elimination of all but one line of succession to the throne, and creating "statutory" nobles on the basis of their numerical supporters rather than traditional rank,²¹ an appearance of stability was achieved. All is formalized by the Tongan Legislative Assembly in which nine elected members serve, along with a comparable number of coopted statutory nobles, and over which an absolute veto is exercised by the Tongan king.²² The seven ministers appointed by and responsible to the king

of the Constitution to Effect the Addition of New Members of Parliament to Territorial Constituencies Which by Virtue of Their Population Growth and Concentration would Warrant the Addition of New Members," Parliamentary Paper 1981, No. 43.

16. Ibid., p. 6.

17. Ibid., p. 8. Note: the "also" added by author.

18. Not referred to in the text is another divisive issue: non-*matai* voting, holding office, or both. See Mary Boyd, "Political Development in Western Samoa and Universal Suffrage," *Political Science*, 8:1 (March 1956), pp. 44ff.; Davidson, *Samoa mo Samoa*, *passim*. In April 1982, Western Samoa's Chief Justice ruled that the Samoan Constitution required universal suffrage, but this decision was reversed on appeal. *The South Seas Digest*, 24 (September 1982), p. 3.

19. As provided by the Treaty of Amity of 1900, Tonga became a British Protectorate.

20. For example, "In March, 1982, the Finance Minister . . . resigned at the King's request after refusing him travel funds above those budgeted for (by statute)," *The Far East and Australasia*, 1982-1983 (London: Europa Publications Limited, 1982), p. 937.

21. Si'one Latukefu, *Church and State in Tonga* (Honolulu: The University Press of Hawaii, 1974), p. 214.

22. Only nobles may discuss or vote on laws relating to the king or the royal family or the titles and inheritances of the nobles. Tongan Constitution, Sec. 67. Emiliana Afeaki says

constitute approximately the remaining third of the Assembly. It has become an institution ripe for constitutional revamping as the pressures of modern society impinge more and more heavily. What may be anticipated are constitutional changes incorporating some of the traditional power centers formally ignored or curtailing the scope of discretion now exercised by those recognized in the Constitution, or both.

The Cook Islands

The Cook Islands are the other self-governing polity in the Polynesian Triangle that has incorporated a component of its traditional political system into its Constitution.²³ Early in the history of the Cooks after Western contact, the *ariki* (highest chiefs) had held important posts in the introduced federal system, but the Federal Council became defunct and the *ariki* remained as ex officio members of the various island councils. The political position of the *ariki* in Cook Island society gradually waned, their "*mana* (power) . . . eroded away in the name of 'democracy'"²⁴ The late Albert Henry, in his bid to attain the premiership when the Cooks became an associated state of New Zealand, championed the formation of a national *ariki* council. The New Zealand Parliament obligingly concurred in the establishment of a House of Arikis (*sic*) representing the various islands in the group. The House of Arikis as a body was assigned an advisory role in matters of traditional customs and land, and could also discuss any matter referred to it by the Cook Islands House of Assembly. It is possible that the *ariki* were overconcerned in the House of Arikis to reassert their chiefly authority,²⁵ but it is certain that when they took policy stands contrary to those favored by his Cook Islands Party, Albert Henry's interest in the *ariki* having any meaningful political part in government cooled noticeably.²⁶ This exem-

commoners discuss, but may not vote. See his "Tonga: The Last Pacific Kingdom," in Ron Crocombe and Ahmed Ali (eds.), *Politics in Polynesia* (Suva: Institute of Pacific Studies, University of South Pacific, 1983), p. 70.

23. If New Zealand and Hawaii, as Polynesian areas, are included within the category of "self-governing," it is significant that neither now faces an organized attempt to recognize through governmental posts the descendants, direct or collateral, of the indigenous ruling lines. While "brown power" movements are found in both, efforts to restore paramount leaders is conspicuously absent.

24. Pamela T. I. Pryor, "The Cook Islands: Politics as a Way of Life," in Crocombe and Ali, *Politics in Polynesia*, p. 163.

25. G. Powles, "Traditional Institutions in Pacific Constitutional Systems: Better Late or Never?," in Peter Sack (ed.), *Pacific Constitutions* (Canberra: Australian National University, 1982), p. 357, note 5.

26. Albert Henry made it clear "that, in the modern political system, the *ariki* have no more than a subsidiary and consultative role." David J. Stone, "Political Trends in Self-governing Cook Islands," *The Journal of the Polynesian Society*, 79:1 (March 1970), p. 172.

plified a situation in which traditional leaders were inappropriately incorporated into a modern constitutional government. No longer possessing a power base of their own, the *ariki* were bound to echo hollowly in the emptiness of any governmental office other than honorific. Not to be ignored, however, was that a failure to recognize them ceremonially might be an omission that was still meaningful in establishing the legitimacy of the government's acts in the eyes of many Cook Islanders.

Fiji

Fiji stands at the interface of Polynesia with Melanesia, as partially evidenced by its culture, and even more specifically in some of the outer islands, which are more Tongan than Fijian. In 1970 the British pushed the Fijians into independence; the latter's reluctance was due to the existence of a resident Indian population that outnumbered the Fijians. Part of the political persuasion that contributed to the Fijians' acceding was a provision in the Fiji Constitution prepared in England that the Fijian Affairs Ordinance could not be amended without a three-fourths vote of the Senate.²⁷ The ordinance referred to is the modern embodiment of the local administration that the British had set up long ago to protect the Fijians living in a traditional relationship to their chiefs. Above the local traditional leaders are several tiers of regional chiefs, each with his own council, and all headed up by a Great Council of Chiefs. The whole constitutes a government within a government, perpetuating a chiefly structure that the British conceived of as continuing tradition.²⁸ Since the 22-member Senate includes eight senators who are appointed on "the advice of the Great Council of Chiefs,"²⁹ it is impossible to amend this ordinance without the consent of a majority of these senators. To make doubly sure, the Fiji Constitution also provides that a "bill for an Act of Parliament that alters . . . [the Fijian Affairs Ordinance or] a provision that effects Fijian lands, customs or customary rights" must have the concurrence of at least six of these nominees of the Great Council.³⁰ Supplementing this institutionalized protection of the *ratu* (chiefs), practical politics in Fiji has seen the Fijians with the highest

27. Fiji Constitution, Sec. 68.

28. For a consideration of how "traditional" is the relationship between commoner and chiefs reified in Fiji by the British administration, see Peter France, *The Charter of the Land* (Melbourne: Oxford University Press, 1969).

29. Fiji Constitution, Sec. 45. In 1982, the Great Council of Chiefs amended its constitution to enable it to nominate senators from outside its membership. *Fiji Focus*, 1:4 (November 26, 1982), p. 12.

30. Fiji Constitution, Sec. 68.



traditional titles holding a dominant position in the leadership of the majority Alliance Party.³¹

Stresses have begun to appear in the Fijian ranks, and only the threat of the Indian electorate in Fiji's artificially balanced racial politics³² mitigates against the voicing of major challenge to the Fijian *ratu*. The gradual incorporation of nonchiefly Fijians into the councils set up by the Fijian Affairs Ordinance holds future promise for effectively changing the system now frozen into the Fiji Constitution. Whether Fiji can and will wait that long is uncertain. Already a coalition of the major Indian party (National Federation Party) and a dissident Fijian party (Western United Front) in 1982 took over two-fifths of the seats in the lower house of Parliament, the Alliance winning only 52%.³³ In its campaigning, the WUF stressed regional disparities, not dissatisfaction with dominant chiefly positions. In the latter issue, joined with Fiji's brand of racial politics, lies the greatest threat to the long predominance of the Alliance Party, the political role of the traditional leaders, and, concurrently, the very basis of the Fijian polity.

The Solomon Islands and Vanuatu

One stereotype of Melanesia is that of an area characterized by "big man" politics—i.e., a region that does not normally recognize inherited status as a basis for leadership, but which catapults to political prominence those who cultivate ways recognized in tradition of amassing loyalty and obligation, mainly through favors and forms of conspicuous consumption.³⁴ While this gloss may fit large segments of Papua New Guinea, which severed its ties to Australia in 1975, it does not apply to either the Solomons or Vanuatu.³⁵ The former gained its independence in 1978, the latter even more recently, in 1980. In the Solomons, the appropriate role for the traditional leaders was thought to be at "the provincial and

31. Ahmed Ali, "Fiji: The Politics of a Plural Society," in Ron Crocombe and Ahmed Ali (eds.), *Politics in Melanesia* (Suva: University of the South Pacific, 1982), p. 138.

32. Fiji has communal voting, with the Fijians electing 12 candidates, the Indians 12, and the General Electors 3. An additional 10 Fijians, 10 Indians, and 5 General Electors are elected on a common franchise with reserved communal allocation. *Ibid.*, p. 138.

33. *Ibid.*, p. 153.

34. Here see gloss of Marshall D. Sahlins, "Poor Man, Rich Man, Big Man, Chief: Political Types in Melanesia and Polynesia," originally published in *Comparative Studies in Society and History*, Vol. 5 (1963), pp. 285–300, and reprinted in many collections subsequently; also see the incisive attack on this by Bronwin Douglas, "Rank, Power, and Authority: A Reassessment of Traditional Leadership in South Pacific Societies," *The Journal of Pacific History*, 14:1 (1979), p. 2.

35. See Douglas, "Rank, Power, and Authority." How much of "custom" in these two Melanesian areas has been invented as distinguished from constituting substantiated tradition is a separate subject.

area government level,"³⁶ and the Islands' constituent document directs the Parliament to make provision for the government of the provinces "and consider the role of traditional chiefs therein."³⁷ This attempt by the drafters of the Constitution to finesse the issue of where to place the traditional leaders in the new political system has since had repercussions that have complicated the establishment of the new nation's provincial structure of government. Although seemingly an anachronism to the idiom of modern governance, these traditional leaders in the Solomons still retain an authoritative position sufficiently viable to require some formal accommodation in government.

In Vanuatu, pursuant to constitutional direction, custom chiefs sitting in District Councils elect some of their members to a National Council of Chiefs.³⁸ The latter may both initiate "recommendations for the preservation and promotion of New Hebridean culture and languages"³⁹ and "be consulted on any question, particularly any question relating to tradition and custom, in connection with any bill before Parliament."⁴⁰ This requirement of consultation applies specifically to land law,⁴¹ and reflects the linkage of land to traditional authority. Except in the event they overreach themselves, the role of Vanuatu's traditional leaders in the introduced government appears neatly proportioned to their power base. Since the Vanuatu Constitution directs the national Parliament to enact land laws embodying custom,⁴² this position of the traditional chiefs will undoubtedly remain viable for some time to come.

Micronesia

In the writing of the Constitution of the Federated States of Micronesia, two traditional chiefs from each of the four districts in the Trust Territory of the Pacific Islands participated fully in the constitutional proceedings.⁴³ At one point, they and their supporters forced action to their

36. "Report on the Solomon Islands Constitutional Conference," H.M.S.O. Command-6969, London, 1977, p. 12.

37. Solomon Islands Constitution, Sec. 114(2).

38. Vanuatu Constitution, Art. 28(1).

39. Ibid.

40. Ibid., Art. 29(2).

41. Ibid.

42. Ibid., Art. 72, 74.

43. In the fifth district, the Northern Marianas, the Chamorros no longer have traditional chiefs. However, a person recognized as holding a leadership role among the Carolinian population, akin to one of custom, was named by the District Administrator as one of the delegates to the constitutional convention. The dominant group among the Iroijlaplap (paramount chiefs) of the Marshalls boycotted the convention, and when two Iroij did nominate themselves and attend during the latter days of the convention, they

liking by threatening a boycott.⁴⁴ One of the consequences was the insertion in the Constitution of a disclaimer of any intent to prevent the establishment of a council of traditional leaders in the national government, if the national legislature should ever be so inclined.⁴⁵ It was tacitly understood by all, however, that it would be at the state level of this new federation where the decision would ultimately be made on incorporating the traditional leaders into formal government. The Federated States of Micronesia Constitution adumbrates this battlefield with the statement that "the constitution of a state having traditional leaders may provide for an active, functional role for them."⁴⁶ The FSM Constitution also allows a state to name a traditional leader in place of an elected representative to the national Congress, but this was added almost as an afterthought, and has never been used by any state.

Soon after the convention, the Northern Marianas split off, embarking upon a course that would finally see the area become a commonwealth of the United States.⁴⁷ In 1978, after the Marshalls and Palau each rejected the FSM Constitution, it became certain that there would be at least three Micronesian entities within the sweep of the Trust Territory seeking a free associated state status with the United States. After a history of four constitutional drafts within the period of as many years,⁴⁸ the Republic of Belau⁴⁹ adopted one that gives a consultative role to the chiefs of this most westerly part of the Carolines. The Belau Constitution creates a Council of Chiefs consisting of traditional leaders who are recognized as such by the chiefs of their respective areas and who advise the president on matters concerning tradition and custom and their relationship to the Constitution and laws of Belau.⁵⁰

At the easterly edge of the Trust Territory, the Constitution of the Marshall Islands establishes a Council of Iroij (paramount chiefs) that is likewise consultative, without formal authority over either the cabinet or

were afforded debating but not voting rights. For full coverage of this, see forthcoming study by the author on the 1975 Micronesian Constitutional Convention.

44. Ibid.

45. Federated States of Micronesia Constitution, Art. V, Sec. 3.

46. Ibid.

47. Technically, to become *de jure*, the commonwealth status of the Northern Marianas must wait for the termination of the Trusteeship. Whether or not this requires assent of the Security Council, the United Nations General Assembly, or both, remains undetermined at this writing, while the threat of a Soviet veto in the Security Council looms ever larger.

48. See Norman Meller, "On Matters Constitutional in Micronesia," *The Journal of Pacific History*, 15:2 (April 1980), p. 84, note 9; pp. 85, 86.

49. On setting up their new constitution, the Palauans have referred to their country as "Belau" and their constitutions as the "Constitution of Belau." However, they themselves are known as "Palauans" and their language as "Palauan."

50. Constitution of Belau, Art. VIII, Sec. 6.

the Nitijela (Parliament).⁵¹ Provision is made for a joint committee of Iroij and Nitijela members to report on any bill declaring customary law, and the Council may require the Nitijela to reconsider any bill it has adopted that "affects the customary law or a traditional practice, or land tenure, or a related matter."⁵² Technically, this represents only a delaying power, for the Nitijela is not compelled to accept the Council's viewpoint. Only time will demonstrate whether or not the Iroij use the authority associated with their entrenched position, or the procedural threat of interposing delay,⁵³ or both, for substantive purposes. Land in the Marshalls, which is held by the Iroij subject to traditional obligations, tends to be found at the center of all major issues, so that the Iroij have been strategically placed to use the new Constitution to bolster their own power position.

Within the Federated States of Micronesia, which encompasses the bulk of the Trust Territory, the state of Yap offers the most extreme illustration of constitutional recognition of traditional power in the Pacific, outside of Tonga. Under the Yap Constitution, two separate councils of traditional leaders hold absolute veto powers over legislation concerned with "tradition and custom or the role or function of a traditional leader as recognized by tradition and custom."⁵⁴ In addition, the councils are the sole judge of the "concernment" of a bill before the legislature. While a gubernatorial veto may be overridden by the Yap legislature, if the latter does not meet the councils' objections, their action is final. So strong is the influence of traditional leaders in Yap that objections to a bill expressed by only a single council will loom large in a governor's decision on whether or not to sign legislation delivered to him for signature.

In Truk, the largest state of the Federated States, a state constitution awaits ratification by its people. It would establish a council of traditional chiefs expressly granted the power to preserve and enforce custom. The

51. The Marshalls, unlike any of the other evolving entities within the Trust Territory of the Pacific Islands, opted for a parliamentary form of government. See A. Quentin-Baxter, "The Constitutions of Niue and the Marshall Islands: Common Traits and Points of Difference," in Peter Sack (ed.), *Pacific Constitutions*, pp. 97ff. Implementation reveals that it is more a cross between the parliamentary and the presidential systems, than a copy of Westminster. See study by C. J. Lynch, "Traditional Leadership in the Constitution of the Marshall Islands (With Comparative Notes)," forthcoming in *Workpaper* series of the Pacific Islands Studies Program, University of Hawaii.

52. Marshall Islands Constitution, Art. III, Sec. 3; Art. X, Sec. 2(3).

53. The reconsideration may force postponement of legislation for months because the Nitijela does not meet in continuous session.

54. Yap Constitution, Art. V, Sec. 16, 17.

council is to "ensure by all traditional means that all civil disturbance, insurrection and *fitikopo* (quarrels, disorder) in Truk are returned to normal through the most peaceful means." In addition, the council will possess advisory powers, and may "make recommendations on any matter as it may deem necessary." These provisions will give to the chiefs, collectively, powers reflecting those that some of them traditionally exercised individually. Their full scope is restricted by the ambiguous mandate to the state legislature that it is to provide the "manner by which acts of the Council . . . are carried out."

The tiny state of Kosrae (formerly known as Kusaie) faced no comparable problem of having to accommodate any traditional leaders when it adopted its constitution in 1983. Although once extremely potent, traditional authority has withered away, supplanted by the dominant part now played by religion in the island's political process.

The fourth state making up the Federated States of Micronesia, Ponape, well illustrates the difficulty encountered when an attempt is made to incorporate traditional island authority within a modern constitutional government. Convening early in 1983, and with many recesses to permit the delegates to consult with their constituents,⁵⁵ the constitutional convention wrestled for over a year with the various problems of drafting a constitution, including the safeguarding of Ponape custom and affording recognition for traditional authority. Complicating the effort was the presence of 22 traditional leaders as delegates among the convention's total membership of 52.⁵⁶ For many of the chiefs, protection of custom and tradition was to be achieved only by assuring the traditional leaders offices in the state government; to some, it meant, as well, the grant of mandatory power over the actions of both governor and legislature. For a while it was proposed that a council of chiefs be established as "Honorary Joint Head of State" with an advisory function. A "final" draft debated early in 1984 called for the governor and legislature to "consult regularly" with the traditional leaders, and for them to "be accorded a position of honor at major formal functions" of government, but even this disappeared from the document signed by the delegates. Since traditional leaders in Ponape have not retained a political influence as pervasive as that of the chiefs in Yap, it remains to be seen how the state will resolve this confrontation between tradition and modernity.

55. Recesses also accommodated the holding of state elections in which some of the delegates were candidates.

56. Here see Powles ("Traditional Institutions") on the reluctance of people of low rank to express views in the presence of respected chiefs (p. 355).

Judicial Powers

Possibly because "the exercise of chiefly authority is essentially a political function," and "the chief is policy-maker and administrator but not adjudicator in the Western sense,"⁵⁷ little constitutional concern has been shown to assure Pacific island traditional leaders any share in the exercise of judicial powers. Practice in American Samoa assigned the judicial function within the internal government to *matai* (chiefs) with high *tulafale* (orator) titles,⁵⁸ but this was by way of dividing up responsibilities for the carrying out of local government. The Constitution of Western Samoa, while making provision for a Land and Titles Court,⁵⁹ does not expressly allocate this function to the *matai*, and it is only by convention that they have assumed this function. In Vanuatu, for a short while the National Council of Chiefs was to nominate one member of the Supreme Court in order to assure the introduction into the latter's midst of a member knowledgeable of custom and tradition.⁶⁰ In addition, the Constitution directs the Parliament to make provision for the role of chiefs in village and island courts.⁶¹ The Marshall Islands was the only associated state in Micronesia to create a Traditional Rights Court consisting of panels of Iroij, Alaps (senior lineage heads), and Ori Jerbal (commoners) to hear questions relating to titles, land rights, or other legal interests depending on customary law and traditional practice.⁶² In effect, the court is an advisory tribunal of a representative kind, not of the parties but of the classes of right holders to which the parties belong.⁶³

Conclusion

Throughout the Pacific, where traditional leaders are still recognized, they seem to have been the prime movers either for securing gov-

57. *Ibid.*, p. 348.

58. Felix M. Keessing, *The South Seas in the Modern World*, rev. ed. (New York: John Day Company, 1945), p. 142.

59. Western Samoa Constitution, Art. 103.

60. Vanuatu Constitution, Art. 47(4). The Constitution was later amended (1980) to provide for all members other than the Chief Justice to be nominated by a Judicial Service Commission.

61. Vanuatu Constitution, Art. 50.

62. Marshall Islands Constitution, Art. V, Sec. 4. The special court also passes on the justness of compensation awarded in eminent domain cases. *Ibid.*, Art. II, Sec. 5.

63. For fuller treatment, see C. J. Lynch, "Traditional Leadership."

ernmental posts to themselves or in retaining themselves in such offices as Westernized, self-government replaced colonial structures. Many chiefs have been ill-equipped by education or training to fulfill adequately an active, functional role in modern governance. Even when they become something of an anachronistic appendage, they still retain the potential for damage to the body politic, analogous to the human vermiform appendix. On the other hand, to the extent that custom and tradition remain strong and viable, which is still the case in many parts of the Pacific, to exclude the traditional leaders totally is but to insure dysfunctional conflict. Rather, it would appear to be a matter of redirecting traditional authority toward dealing with the disruptive antisocial behavior arising in a number of the Pacific Island states out of rapid cultural change. It is now evident in the West that the governmental bureaucracy, by itself, is unable to contain such deviance through the application of negative sanctions. So long as traditional leadership remains a viable influence in the observance of communal norms for social intercourse, there is a need for it to parallel, but not be incorporated within, government both to supplement and to replace formal bureaucratic action. In the course of establishing such a role in a modern setting, the traditional leaders may continue to maintain the honor and respect that is still their due.⁶⁴

64. Powles ("Traditional Institutions") sees an independent chiefship "as an institution competing freely with government and commerce . . . (contributing) to a wider and more interactive field for the exercise of power, the expression of opinion and mobility in the achievement of aspirations" (p. 358).

EARTHQUAKE POLICY IN CHINA

Lester Ross

China's written history reveals a country that has suffered dearly from earthquakes over the centuries. One third of China is considered vulnerable to earthquakes.¹ According to various accounts, more than 3,000 major earthquakes have occurred over the past 3,000 years, an average of one a year. This figure undoubtedly understates the frequency of seismic activity in remote regions beyond the effective control of Chinese governments and in periods for which the historical records are incomplete.²

The toll in human lives and property has been enormous. It is estimated that 830,000 people were killed in the earthquake of 1556 centered in Huaxian, Shaanxi, and over 100,000 died in the Gansu earthquake of 1920. In more recent times, 272, 576 people are reported to have been killed as a result of earthquake activity in the 1949-1979 period. The contemporary record is dominated by the 1976 earthquake that leveled the major industrial city of Tangshan and brought terror to Beijing and the rest of north China. The official toll for this earthquake is 242,000 dead and two billion dollars in damage, but the unofficial count of almost 700,000 dead is given credence even by Chinese engineers.³

Lester Ross is Assistant Professor of Political Science, Purdue University, West Lafayette, Indiana. This work was supported in part by a research grant from the Joint Committee on Chinese Studies of the American Council of Learned Societies and the Social Science Research Council, with funds provided by the Andrew W. Mellon Foundation.

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1. Yu Qingkang, "Planning for Human Settlements in Disaster-Prone Areas: The Chinese Experience," *Disasters: The International Journal of Disaster Studies and Practice*, 6:3 (1982), pp. 202-206.

2. W. H. K. Lee et al., "Catalog of Historical Earthquakes in China Compiled from Recent Chinese Publications," *Bulletin of the Seismological Society of America* (hereafter BSSA), 66:6 (December 1976), pp. 2003-2016; Joseph Needham, "Seismology," in Needham, *Science and Civilization in China* (Cambridge: Cambridge University Press, 1959), Vol. 3, pp. 624-635; "Earthquake Indicators," *Beijing Review* (hereafter BR), 25:41 (October 11, 1982), p. 29.

3. Fox Butterfield, "China Discloses '76 Quake Figures," *New York Times* (hereafter

The high incidence of earthquake activity in China is due to intraplate tectonic forces that can be interpreted as second-order effects of the collision between the Eurasian and Indo-Australian plates in the Himalayas. Although there are extensive fault lines in China, the destructive Tangshan shock originated from a surprisingly small fault rupture. Depth of the shock, soil conditions, and human settlement patterns also affect quake damage. Most notably, the great devastation at Tangshan resulted from the large quake's shallow focus near densely populated, poorly constructed communities established on sandy soil.⁴

The frequency and severity of earthquakes establish an objective or environmental need for government action. The Chinese government also has a traditional obligation to respond to earthquakes and other natural hazards. The Mandate of Heaven to govern on earth rested in part upon the emperor's ability to keep mankind in harmony with heaven and earth. Conversely, the occurrence of unusual or destructive natural phenomena could be interpreted as a sign that the emperor had lost his mandate and should be deposed. As Burton Watson has written:

Like the Greeks and Romans, the early Chinese firmly believed in the portentous significance of unusual or freakish occurrences in the natural world. This belief formed the basis for the Han theory that evil actions or misgovernment in high places invites dislocations in the natural order, causing the appearance of comets, eclipses, drought, locusts, weird animals, etc. . . . However interpreted, this theory of portents and omens had a tremendous influence upon Han political thought, for it gave the bureaucracy a method of indirectly censuring the throne when direct criticism was impolitic.⁵

However, neither the objective existence of a problem nor the myths of centuries past are sufficient to explain the policies of the present regime. Subjective perceptions of problems need not correspond with reality. Moreover, perceived problems compete for space on the societal agenda. Even if we concede the Communist Party's claims to govern on behalf of the people, earthquake mitigation measures might still be appropriately subordinated to economic development or even national defense. Although the Mandate of Heaven still has cultural significance, the People's Republic of China (PRC) led by the Communist Party was

NYT), November 24, 1979; James M. Gere and Haresh C. Shah, "Tangshan Rebuilds After Mammoth Earthquake," *Civil Engineering-ASCE*, 50:12 (December 1980), pp. 47-52.

4. Rhett Butler et al., "The July 27, 1976 Tangshan Earthquake—A Complex Sequence of Intraplate Events," *BSSA*, 69:1 (February 1979), pp. 207-220.

5. William Theodore DeBary et al., *Sources of Chinese Tradition* (New York: Columbia University Press, 1960), pp. 186-187.

founded on the basis of a revolutionary break with tradition that specifically includes what are euphemistically referred to as "feudalism" and "superstitious beliefs." Furthermore, even if the current regime regarded earthquakes as a problem warranting action, the existence of a range of alternative policies subject to material and political constraints renders unwise any effort to predict a priori the policies of the current regime on the basis of ideology or any other factor. Instead, there is a need for an empirical examination of the evolution of earthquake policy in China.

The Evolution of Earthquake Policy

Like its counterparts, natural hazards policy results from the interaction of political interests in a context shaped by institutions, values, the environment, and related policies. However, policy can be analyzed in terms of the structural options available. Researchers at the Battelle Human Affairs Research Center have identified three separate approaches to natural hazards policy.⁶

1. Control of the event threat—reducing the frequency and/or severity of the hazards. This is not a viable option for earthquakes but is quite common in regard to floods or drought, involving reservoirs, levees, and other measures;⁷
2. Control of human settlement patterns—reducing the danger posed by natural hazards by locating settlements in low-risk areas and/or adopting hazard-resistant construction and other practices. This option becomes more attractive with improved mapping of seismic activity areas and other hazards. However, this option tends to be expensive and may be resisted by policy makers and ordinary citizens who value living in low-lying coastal and other high-risk areas;⁸
3. Forecast and warning—reducing the damage from hazards by alerting the population at risk to evacuate or otherwise modify their behavior through measures such as taking shelter. This is most common for weather-related events such as floods, freezes, and cyclones. Perry and his associates have further subdivided this category into four cells according to the timing and duration of evacuation as shown in Figure 1.

6. Ronald W. Perry et al., *Evacuation Planning in Emergency Management* (Lexington, Mass.: Lexington Books, 1981).

7. Lester Ross, "Flood Control Policy in China: The Policy Consequences of Natural Disasters," *The Journal of Public Policy*, 3:2 (May 1983), pp. 209–232.

8. Ian Burton et al., *The Environment as Hazard* (New York: Oxford University Press, 1978).

FIGURE 1 *Period of Evacuation*

		<i>Short Term</i>	<i>Long Term</i>
Timing of Evacuation	Preimpact	preventive	protective
	Postimpact	rescue	reconstruction

SOURCE: Ronald W. Perry et al., *Evacuation Planning in Emergency Management* (Lexington, Mass.: Lexington Books, 1981).

In most instances natural hazards policy consists of a mix of elements from several strategies. For example, flood control measures may be combined with flood plain zoning and construction standards, weather forecasts, and flood insurance and disaster assistance. Analysis nevertheless is facilitated by sorting out the different elements of policy and their capabilities before considering their interactive effects.

The PRC had little in the way of an earthquake policy during its first decade and a half beyond relief and reconstruction. As the regime recentralized authority, a relief network was established relying heavily upon the armed forces, who were trained to participate in civilian economic activity. The regime also increased grain reserves and promised agricultural tax concessions and other relief measures in areas affected by earthquakes and other natural disasters.

However, there was only a modest scientific effort directed toward the understanding of earthquakes for purposes of prevention and protection. The number of seismic monitoring stations was only slightly increased from two to two dozen by 1958, and an indigenous twelve-degree scale of earthquake intensity was developed with applications for architecture and engineering.⁹ Although these accomplishments confirm that some research was underway,¹⁰ in retrospect it appears that the geosciences were directed toward mineral exploration while engineering focused on construction in a nascent scientific effort that was handicapped by low

9. The Chinese scale measures the intensity of the ground shaking at a particular point and thus varies according to distance and other factors. By contrast, the Richter scale measures the absolute size of an earthquake, and thus any particular quake can be assigned only one magnitude on the scale. For example, the Tangshan quake measured 7.8 on the Richter scale with intensities on the Chinese scale ranging from XI in Tangshan to VII in Beijing to lower values as distances from Tangshan increased.

10. J. Tuzo Wilson, "Geophysics," and Lewis Li-tang Au, "Civil and Hydraulic Engineering," in Sidney H. Gould (ed.), *Sciences in Communist China* (Washington: American Association for the Advancement of Science, No. 68, 1961), pp. 483-496 and 771-804.

funding levels and political controls. The only applied geosciences item included among the twelve scientific priorities established in the mid-1950s was exploration for petroleum and strategic minerals.¹¹ Use of the seismic intensity scale in planning and construction was hampered by inadequate seismic mapping data for most areas of the country and by weak institutional controls. Seismic intensity classifications were advisory in nature and apparently were usually disregarded by the capital construction authorities when they authorized new projects.

The low level of government action can be attributed in part to the press of other programs. China's massive Soviet-style industrialization in the 1950s emphasized heavy industry and volume of output at the expense of infrastructure and quality control. However, even heavy industrial projects generally failed to incorporate modern safety and engineering measures, as shown by the widespread, near total devastation in Tangshan.

The Maoist Great Leap Forward of 1958–60 that emphasized shortcuts to modernization was not an improvement in this regard. One of the principal features of the Great Leap was a major campaign to construct water conservancy projects, many of which were improperly designed and constructed.¹² In one prominent instance, the Xinfengjiang Reservoir northeast of Guangzhou (Canton) was built in a fault area and began to experience shocks within months after filling commenced. A major shock of magnitude (M) 6.1 (Richter scale) eventually occurred on March 19, 1962, necessitating extensive repairs.¹³

In addition to China's low level of economic and scientific development, the problem of earthquakes may not have appeared very salient to Chinese leaders. Earthquakes in China appear to occur in waves of increasing seismic activity interspersed with periods of relative quiescence. Although activity generally had been increasing since the early 1800s,¹⁴ earthquake activity in the early years of the PRC tended to be

11. Richard P. Suttmeier, *Research and Revolution: Science Policy and Social Change in China* (Lexington, Mass.: Lexington Books, 1974).

12. Michel Oksenberg, *Policy Formulation in Communist China: The Case of the 1957–1958 Mass Irrigation Campaign*, Ph.D. diss., Columbia University, 1969.

13. Kazuo Oike and Yuzo Ishikawa, "Induced Earthquakes Associated With Large Reservoirs in China," *Chinese Geophysics* (hereafter CG), 2:2 (1983), pp. 383–403; Wang Miaoyue et al., "Mechanism of the Reservoir Impounding Earthquakes at Hsinfengkiang and A Preliminary Endeavor to Discern Their Cause," *Engineering Geology*, Vol. 10 (1976), pp. 331–351; Paul C. Jennings (ed.), *Earthquake Engineering and Hazards Reduction in China: A Trip Report of the American Earthquake Engineering and Hazards Reduction Delegation* (Washington: National Academy of Sciences, CSCPRC Report No. 8, 1980), pp. 32–33.

14. Shi Zhenliang et al., "On the Intensive Seismic Activity in China and Its Relations

either not severe or confined to very remote areas. Seven of the most severe earthquakes in China in the period 1950–66 occurred in Tibet or the mountains of Sichuan. North China is an area of high seismic activity but was relatively quiescent from 1945 to 1954 before activity began to increase again.¹⁵

Finally, one should note the possibility that Chinese authorities may have chosen a passive strategy in the absence of better knowledge. Although precautionary measures to reduce damage in the event of an earthquake were possible, the global scientific community had yet to predict earthquakes. The commitment of additional resources to the frontiers of research by a country engaged in scientific catch-up may have been considered an unaffordable luxury.

The Interaction of Natural Disasters and Politics

At 5:29 A.M. local time on March 8, 1966, while most people were still asleep, a severe $M = 7.2$ earthquake rocked the foothills of the Taihang Mountains in the vicinity of Xingtai in western Hebei province. Xingtai is about 300 kilometers from Beijing along the trunk railway between Shijiazhuang and Zhengzhou. Damage apparently was most severe in the rural areas where 350 production brigades reportedly were affected. Substantial loss of life and property occurred although no official estimates were released.

However, the Xingtai earthquake's significance for earthquake policy is related more to its timing and perhaps its proximity to Beijing than the damage sustained. China in the spring of 1966 was on the verge of the Cultural Revolution, a momentous political upheaval led by Chairman Mao Zedong against the Communist Party itself and China's intellectuals. Leading officials like President Liu Shaoqi and Party Secretary-General Deng Xiaoping were hounded out of office as alleged "capitalist roaders." Virtually all educational institutions were closed, and teaching and research ceased until new "open door" forms of science and education could be created based upon the concept of service to the people. Tens of thousands of people including many intellectuals are believed to have died during the Cultural Revolution.

The occurrence of a major quake so close to Beijing increased the need for a positive earthquake policy, while the ongoing political turmoil

to Plate Tectonics," E. C. T. Chao (trans.), *American Journal of Science*, Vol. 275–A (1975), pp. 239–259; Wang Fang, "The 1976 Tangshan Earthquake," *Earthquake Information Bulletin*, 11:3 (May–June 1979), pp. 106–109.

15. Hebei Seismology Bureau, Research Division, "The Earthquake Risk of Hebei Province North China," *CG*, 1:2 (1978), pp. 339–351.

helped to shape the policy that emerged. The Xingtai quake demonstrated that closed political systems like the Chinese under certain circumstances may respond to sudden events or "situational" factors¹⁶ like their more pluralistic counterparts. Amidst intense political competition, the severe quake helped to invoke a government response akin to the "Mandate of Heaven," one going beyond rescue and reconstruction.

Control of human settlement patterns was not a viable option, however, not only because of the absence of reliable seismic data but also because of the enormous expense involved in making millions of structures earthquake resistant.¹⁷ Higher standards for new construction was more feasible but still would be expensive and retard economic growth. Until recently, China, like many other developing and communist countries, has pursued an extensive growth strategy at the expense of quality and preventive maintenance. It also should be noted that the post-Mao regime's struggle to curtail construction has encountered numerous obstacles,¹⁸ suggesting that the center's power to compel changes in construction practices is limited.

Consequently, the central government decided to enhance its forecast and warning capabilities in order to evacuate the population at risk in advance of earthquakes. This was an extraordinary course of action given the inability of scientists anywhere in the world to predict earthquakes. However, earthquake prediction proved to be politically popular. The left soon embraced earthquake prediction as a scientific endeavor beyond the control of "bourgeois" professional scientists in which the left's preferred mass-campaign style of science serving the people could be applied. This approach involved large numbers of amateur earthquake watchers observing and transmitting data that were believed to be related to earthquakes according to either traditional belief or modern science. Meanwhile, the people as a whole would be educated about earthquakes and precautionary measures, and then evacuated once predictions were made.¹⁹

16. Howard M. Leichter, *A Comparative Approach to Policy Analysis: Health Care Policy in Four Nations* (Cambridge: Cambridge University Press, 1979), pp. 39-46.

17. Bruce A. Bolt, *Earthquakes: A Primer* (San Francisco: W. H. Freeman, 1978), pp. 151-152.

18. Christopher S. Wren, "Capital Investments Criticized by China," *NYT*, June 8, 1983.

19. Yue Ding, "Wo Guo Dizhen Shih Shang de Liangtiao Luxian Douzheng (The Two Line Struggle in China's Earthquake History)," *Hongqi*, September 1976, pp. 73-78; Martha E. Gimenez, "A 'People's War' Against Earthquakes," *Mass Emergencies*, Vol. 1 (1976), pp. 323-341; Gordon Bennett, "Mass Campaigns and Earthquakes: Hai-cheng, 1975," *The China Quarterly*, No. 77 (March 1978), pp. 94-112.

More moderate elements led by Premier Zhou Enlai also supported the concept of earthquake forecast and warning. It is said that Premier Zhou Enlai paid a personal visit to Xingtai after the earthquake, although he was not in charge of the official condolence and inspection delegation. Zhou is said to have ordered that earthquake research be accelerated and that the focus of geoscientific research shift from theoretical studies to prediction.²⁰

The moderates presumably also felt a need to respond to the life-threatening problem of earthquakes. It cannot be determined at present whether the moderates endorsed the mass approach to forecasting favored by the left. However, Zhou Enlai and those among his associates who survived the purges may have decided to work in support of the prevailing trends while trying to preserve scientific personnel and status. This necessarily would have resulted in their approval of a more applied orientation for the geosciences.

As the Cultural Revolution wound down, seismology was one of the first scientific sectors to rebound, indicating the priority it still enjoyed. The first national seismological work conference was convened in 1970 to disseminate initial findings and set directions for future research. In 1971 a new State Seismological Bureau was established to administer earthquake research and the seismological monitoring network. Several research institutes, especially the Institute of Geophysics in Beijing and the Institute of Engineering Mechanics in Harbin, were directed to focus on earthquake-related research on which the latter institute actually had begun in 1962. A second national seismological work conference was convened in 1974. Soon 10,000 professional and scientific personnel and perhaps ten times that number of amateurs were involved.

The focus of the stepped-up monitoring and research work was earthquake forecasting. The State Statistical Bureau operationalized this objective in terms of four goals: (1) to forecast all earthquakes of $M = 5$ or greater intensity; (2) to forecast the epicenters of all such earthquakes within a range of 50 kilometers; (3) to forecast the occurrence of such earthquakes within two or three days; and (4) to estimate the magnitude of such earthquakes within one degree of their Richter scale value.²¹

Seismological work soon led to claims that astounded the world. In the period 1970-76, the Chinese claim to have successfully forecast nine

20. Foreign Broadcast Information Service (hereafter *FBIS*), No. 48, March 11, 1966, p. CCC1; American Seismology Delegation, "Earthquake Research in China," *EOS: Transactions, American Geophysical Union* (hereafter *EOS*), 56:11 (November 1975), pp. 838-881.

21. Edward C. T. Chao, "Earth Sciences," in Leo A. Orleans (ed.), *Science in Contemporary China* (Stanford: Stanford University Press, 1980), p. 202.

earthquakes.²² The most extraordinary instance was the $M = 7.3$ Haicheng-Yingkou earthquake that struck the central Liaoning coast at 7:36 P.M. on February 4, 1975. This area along China's Pacific rim had been designated as an earthquake hazard area at least since the national seismological work conference in 1970. Monitoring and forecasting work increased and progressively closer medium- and short-term forecasts of a severe earthquake were made. In June 1974 the State Council ordered that preparations be made for a major shock. The provincial authorities in Liaoning, one of the more Maoist provinces heavily influenced by Mao's nephew Mao Yuanxin, apparently acted on the basis of the scientists' advice in this instance. Forecasts of an impending major shock prompted the province to order that preparations be made for evacuation and relief. A swarm of tremors led to a preventive evacuation in December that proved to be a false alarm. Another swarm two months later led to an evacuation order on February 3 that was received and heeded in time by most people in the area. Despite the severity of the earthquake, which destroyed or badly damaged 90% of all structures in Haicheng, apparently only a few hundred people were killed.²³

Similar claims of successful forecasts were made elsewhere, notably for an $M = 7.5$ quake in Longling in western Yunnan on May 29, 1976, a series of major quakes in August 1976 in the Songpan-Pingwu area of northern Sichuan, and more recently for an $M = 6$ quake in Ganzi Xian in western Sichuan on June 15, 1982. In all of these cases, the issuance of timely warnings apparently reduced the loss of life and personal property.²⁴

The precise ways in which forecasts and evacuation orders are issued remains unclear. The Chinese rely on a diverse mix of evidence. Some sources of data are standard within the geosciences worldwide—the mapping of faults, charting histories of seismic activity, monitoring level

22. American Seismology Delegation, "Earthquake Research in China," p. 840.

23. C. Barry Raleigh, "When The Earth Quakes," *Technology Review*, 83:8 (August-September 1981), pp. 46-55; Raleigh et al., "Prediction of the Haicheng Earthquake," *EOS*, 58:5 (May 1977), pp. 236-272; R. D. Adams, "The Haicheng, China Earthquake 4 February 1975: The First Successfully Predicted Major Earthquake," *International Journal of Earthquake Engineering and Structural Dynamics*, 4:5 (July-September 1976), pp. 423-438; John Noble Wilford, "China Quake Forecasts Found Based on Guesses," *NYT*, June 1, 1983.

24. Tang Chiyang, "Bases For the Prediction of the Lungling Earthquake and the Temporal and Spatial Characteristics of Precursors," *CG*, 1:2, pp. 400-424; Robert E. Wallace and Tu-Liang Teng, "Prediction of the Sungpan-Pingwu Earthquakes, August 1976," *BSSA*, 70:4 (August 1980), pp. 1199-1223; Tsuneji Rikitake, "Earthquake Prediction Work in Sichuan Province, China with Special Reference to the Songpan-Pingwu Earthquakes," *CG*, 2:1 (1982), pp. 139-157; *FBIS*, No. 118, June 18, 1982, p. Q1.

changes and other movements at the earth's surface, and tracing wave patterns and other seismic phenomena. Most Chinese forecasts have relied heavily on the occurrence of foreshocks, although Songpan was an exception.²⁵ Other data such as changes in ground water radon levels and water tables, animal behavior, and sound and light are much more controversial.²⁶

Regardless of the data, the Chinese have yet to satisfy a basic research criterion. They rely heavily on the observation and interpretation of abnormalities, yet the State Statistical Bureau's operational goals fail to include statistical controls for random success, which is basic to all of the probabilistic sciences.²⁷ The Chinese have not assembled long-term data to determine whether reported anomalies are abnormal at all, let alone connected with earthquakes. For example, changes in ground water levels now appear to be associated with irrigation rather than seismic activity.²⁸

The Chinese place first priority on the forecast of all major quakes, indicating a bias in favor of making forecasts even with a low likelihood of success. Although primarily a consequence of state policy, this may also be due to the lower risk of losing reputation and money among Chinese scientists compared to their counterparts in the West in the event of false alarms.²⁹ Consequently, Chinese forecasts seem to be guesses made under political pressure based upon somewhat intuitive interpretations of the available evidence rather than more rigorous, verifiable procedures.³⁰ Chinese scientists no longer are confident of their ability to forecast on the basis of tremors or other precursors,³¹ and is not surprising to learn that false alarms outnumber successful forecasts by a ratio of 10:1.³²

The high incidence of false alarms does not necessarily indicate policy failure. One must instead compare the benefits to society from reduced

25. Wallace and Teng, "Prediction."

26. Joint Publications Research Service (hereafter *JPRS*), No. 82049, *China Report: Science and Technology* (hereafter *CR: S&T*), No. 177, October 21, 1982, pp. 1-2.

27. Bolt, *Earthquakes*, p. 140.

28. Wilford, "China Quake." For a preliminary appraisal, see Deng Qidong et al., "A Preliminary Analysis of Reported Changes in Ground Water and Anomalous Animal Behavior Before the 4 February 1975 Haicheng Earthquake," *Earthquake Prediction*, 4 (1981), pp. 543-565.

29. *Science*, 193:4254 (August 20, 1976), pp. 656-657. Chinese scientists of course are much more politically vulnerable.

30. Ralph H. Turner, "Earthquake Prediction and Volunteers: What Can the United States Learn From China?," *Mass Emergencies*, 3:2-3 (September 1978), pp. 143-160.

31. *JPRS*, No. 79222, *CR: S&T*, No. 131, October 15, 1981, pp. 43-44.

32. Wilford, "China Quake."

earthquake-related casualties with the costs of economic and social disruption and accidental injury during evacuations. There is no evidence of such analysis in China,³³ but it is quite possible that the benefits outweigh the costs in a largely agricultural country, unlike in advanced industrialized societies.³⁴ However, false alarms may reduce the likelihood of popular cooperation in future evacuations and may contribute to a general erosion in trust of government.

Tangshan: The Interaction of Politics and Natural Disasters

A tragic limitation of China's reliance on forecast and warning coincided with renewed political turmoil. At 3:42 A.M. on July 28, 1976, while the industrial city of Tangshan with more than one million residents was still asleep, a massive $M = 7.7$ earthquake struck, followed by numerous aftershocks including one of $M = 7.2$ magnitude. This was the worst earthquake disaster in modern history and, if the unofficial estimates of almost 700,000 dead are credible, the worst in recorded history second only to the 1556 Shaanxi earthquake.³⁵

Occurring as it did in the Beijing area, in the midst of the PRC's long-delayed political succession, the Tangshan earthquake had significant political consequences. Over the previous eight months, three of China's most powerful leaders—Premier Zhou Enlai, long-time internal security chief Kang Sheng, and Red Army founder Zhu De—all in their seventies or older, died. Six weeks after the earthquake, Mao Zedong himself died. In this period when ominous natural portents seemed to augur great change, the new premier handpicked by Mao himself, Hua Guofeng, exhibited his qualifications for leadership by personally directing relief efforts in a practical, effective fashion. He also helped to position himself for the coming showdown with Mao's widow and her associates by diverting troops under the command of presumed leftists to relief work. By contrast, the "Gang of Four" tried to maintain its ongoing antirightist political campaigns through slogans like "deepen the criticism of Deng Xiaoping in anti-quake and relief work."³⁶ Hua's response to

33. Erik Baark, "China's Technological Economics," *Asian Survey*, 21:9 (September 1981), pp. 977-999.

34. Raleigh et al., "Prediction," p. 263.

35. Butler et al., "The July 27, 1976 Tangshan Earthquake"; Earthquake Engineering Research Institute, *The 1976 Tangshan, China Earthquake* (Berkeley, 1980). The discrepancy in date arises from scientific standardization of seismic events according to Greenwich mean time.

36. *Renmin Ribao* editorial, "Deepen the Criticism of Teng Hsiaoping in Anti-Quake and Relief Work," *BR*, 19:34 (August 20, 1976), pp. 5-6; Yue, "Wo Guo."

the earthquake may have helped him build a coalition to oust the Gang of Four in October,³⁷ although Hua himself was shunted aside by Deng several years later.

The Tangshan earthquake also revealed the inadequacy of China's exclusive reliance on forecast and warning. The signs of future quakes in North China were strong enough for the State Statistical Bureau to issue long-term predictions for the area in early 1976. However, no short-term warning was issued for the Tangshan area specifically because of the absence of geographically proximate signals, despite what were apparently a large number of subtle precursors. The Bureau preferred to await foreshocks, which had signalled the Haicheng quake, but never occurred at Tangshan.³⁸ Officials understandably may also have been reluctant to order evacuations of large economic centers like Tangshan, despite their bias toward issuing forecasts.

Tangshan demonstrated that China's policy based upon forecast and warning was not only incomplete, but that it was also based on scientifically unsupportable premises. China in the past had chosen readily available, inexpensive, and fast construction materials and methods to satisfy production plans while implicitly gambling that earthquakes were unlikely events, particularly at strategic locations. Consequently, additional expenditures to make buildings and other structures earthquake proof were considered unnecessary, at least at China's current stage of development.

However, the destruction at Tangshan was greatly compounded by poor construction practices. Weak masonry buildings collapsed or were severely damaged, and structures throughout the area collapsed as a result of liquefaction of the soil on which they were built. The failure of buildings can be largely attributed to the inexplicably strong quake that occurred on a small fault, as well as to mistakes in seismic mapping that failed to discover dangerous fault structures, with the result that construction was designed to withstand quakes of only VI intensity on the twelve degree Chinese scale.³⁹ Nevertheless, the Chinese had increased

37. "The 'Gang of Four' Sabotages Anti-Earthquake and Relief Work," *BR*, 19:48 (November 26, 1976), pp. 17-19.

38. Francis T. Wu and Dayu Han, "Possible Precursors of the 1976 Tangshan Earthquake," *CG*, 2:1 (1982), pp. 159-172; *Science News*, June 18, 1977, p. 38, and January 10, 1981, p. 24; personal communication, Dr. Lucile M. Jones, October 20, 1983. The relation of foreshocks to main quakes remains a question mark. See Lucile M. Jones et al., "The Foreshock Sequence of the February 4, 1975, Haicheng Earthquake ($M = 7.3$)," *Journal of Geophysical Research*, 87:86 (June 10, 1982), pp. 4575-4584.

39. Gere and Shah, "Tangshan Rebuilds"; *Science News*, September 1, 1979, p. 30; Roger Scholl (ed.), *EERI Delegation to the People's Republic of China* (Berkeley: Earthquake Engineering Research Institute, 1982), p. 15.

the chances of such mistakes occurring by rushing projects into construction (although the construction process itself was notoriously slow), adopting inadequate construction codes, and by failing to adequately supervise construction under the standards that did exist. For example, a new construction code adopted in 1974 in place of the widely disregarded 1959 code designated only a few facilities to withstand tremors one degree greater than the expected intensity, while other key structures were merely built to satisfy the expected intensity, and most structures were built to standards one degree less than the expected intensity.⁴⁰

In the aftermath of the Tangshan quake, China has moved to modify human settlement patterns. More stringent architectural and construction standards for new facilities were adopted, and a program for retrofitting some existing structures reportedly has begun. The state allocated 840 million *yuan* and localities and enterprises an additional 300 million *yuan* for making key infrastructural facilities and even residential structures in north China earthquake resistant.⁴¹ Under the new code, more infrastructural facilities are to be protected against earthquakes of greater than expected intensity, and most buildings in high hazard areas will be protected to some extent.⁴² These measures are costly, but officials of the State Seismological Bureau argue that the expense is justified.⁴³ The imposition of higher standards probably has benefited from the post-Mao slowdown in construction and emphasis on making more efficient use of existing as well as newly constructed facilities.

Conclusions

This article has stressed the interaction of situational, environmental, and political factors in Chinese public policy. China's high degree of seismic activity posed a risk of earthquakes, and China's low level of economic development and indigenous construction materials and methods placed the country at great risk whenever quakes struck. However, it was the occurrence of major quakes in politically sensitive areas at times of political turmoil that produced changes in policy. The Xingtai quake in 1966 helped to bring about a shift from rescue and reconstruction towards preventive forecasts and warnings, while the Tangshan

40. American Seismology Delegation, "Earthquake Research," pp. 871-872; Jennings, *Earthquake Engineering*, pp. 182-189.

41. Yu, "Planning for Human Settlements"; FBIS, No. 139, July 20, 1982, p. K18.

42. Jennings, *Earthquake Engineering*, pp. 61-62; American Seismology Delegation, "Earthquake Research"; Scholl, *EERI Delegation*, pp. 81-85.

43. Wang Fang, "The 1976 Tangshan Earthquake."

quake in turn increased the salience of engineering measures alongside forecasts and warnings. In this respect, policy decisions are reactive rather than ideologically or otherwise predetermined.

However, political factors certainly shaped policy choices. The left favored the forecast and warnings system based on a "serve the people" approach to science, although it must be recognized that amateurs and the populace as a whole played a distinctly subordinate and passive role even in this case. This policy may also have been supported by segments of the planning and building materials sectors who resisted efforts to slow down and regulate construction. Forecast and warning apparently bore dividends in the short-term evacuations in advance of the Haicheng quake and a few other claimed successes.

However, the high rate of false alarms and the lack of confidence among Chinese scientists in their current ability to forecast quakes also signifies the limitations of forecast and warning. One can argue that China's excessive reliance on untested data and methods is symptomatic of deficiencies in Chinese culture, particularly cognitive formalism and excessive empiricism.⁴⁴ However, this would still leave one with the burden of distinguishing the Chinese case from comparable instances elsewhere. For example, American politicians also have been attracted by the symbolism of assault. Their impatience for breakthroughs on important problems has led to infusions of support and resources even in situations where the theoretical foundations are shaky. The "War on Cancer" is one example.⁴⁵

The post-Mao regime, by contrast, has placed more emphasis on changes in construction practices alongside improvements in forecast and warning, reflecting its more pragmatic orientation. Resource constraints and population density will continue to limit the regime's options in terms of controlling human settlements, and other desirable measures like earthquake insurance have yet to be introduced. However, one of the most far-reaching effects of the post-Mao regime may well be its liberalization of science in which contact with the global scientific community has expanded. This is already increasing their instrumentation capability far beyond the possibilities of earlier systems, although animal anomalies and other obscure methodologies still are supported.⁴⁶ More important, criteria for predictions and explanations within the scientific

44. Richard Baum, "Science and Culture in Contemporary China: The Roots of Retarded Modernization," *Asian Survey*, 22:12 (December 1982), pp. 1166-1186.

45. Paul R. Schulman, *Large-Scale Policy Making* (New York: Elsevier, 1980), p. 117.

46. Interview, David P. Russ, Coordinator, U.S. Geological Survey China exchanges, May 5, 1983; *BR*, 26:13 (March 28, 1983), p. 30.

community will be upgraded to world standards. If the current regime continues to lend its support to science, there will be less likelihood in the future not only of Cultural Revolution-style assaults on science but also of politicians' ordering scientists to engage in theoretically unjustifiable activities.

THE ENIGMA OF CHINA'S URBAN POPULATION

Leo A. Orleans and Ly Burnham

The riddle of China's urban population has been universally neglected for two main reasons. It was obscured by the long and lively debate over the size and rate of growth of China's total population—an issue that obviously had a higher priority—and it was perpetuated by the scantiness and spuriousness of data on urban population. Few estimates were attempted and those that were generally were accepted simply because no one was in a position to question them. The statistical renaissance that gradually evolved in the late 1970s and early 1980s also generated some limited but still vague data on urban population. But not until the publication of the 1982 census, which could be misinterpreted to mean that there was an increase of nearly 65 million in China's urban population between the end of 1981 and the middle of 1982, did the authorities feel compelled to offer additional explanations and discussions of "what is urban" in China.

All the questions have not been answered, however, and there are a few important points that users of urban data must keep in mind. First, social and economic factors (both traditional and new) have resulted in unique settlement patterns, making definition of urban population extremely difficult. Second, the absence of urban data over the years reflects, to a large extent, the confusion within China about how to define urban population and the low priority assigned to the problem. Third, the twice-demolished statistical system has not been able to accommodate any of the definitions that have been offered. This article describes the problems associated with urban population, suggests that the users of these statistics continue to exercise caution, and in the end surmises that China is still seeking the methodology that will best define and delineate urban population. The riddle, therefore, is not likely to be solved for some time to come.

Leo A. Orleans is Consultant, Congressional Research Service, Library of Congress, Washington, D.C., and Ly Burnham is Senior Research Analyst at the Library of Congress.

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What We Knew Then

To appreciate fully even the modest flow of statistics that we are now receiving, it is necessary to see what urban figures were available between 1949 and the publication of the present data. The full exposition can be presented in a thumbnail sketch. We had the 1953 census figure of 77,257,282 (13.26% of the reported total population); there was a questionable and obviously retrospective series of urban population figures for the years 1949 through 1956, published in a Chinese statistical journal; there were a few scattered figures for the late 1950s; and a figure for 1960 (see Table 1). Since then, except for the oft-repeated general purpose statements that 80% of China's (unknown) total population were peasants, there was not a single "serious" figure on the size of the urban population until the late 1970s. Even the urban population figure obtained as a result of the 1964 census was not disclosed until almost 20 years later—actually not so surprising, since the census had been taken in secret.¹

Although urban statistics were tenuous at best, it is well known that ever since the creation of the People's Republic of China (PRC) in 1949, the country has been experiencing an almost perpetual movement of vast numbers of people. The pull of the cities is as strong in China as elsewhere in the world, and in the past 30 years tens of millions of peasants flowed into them. China's distinction, however, is the movement of millions *out* of the cities.

For 30 years the Chinese leaders have attempted to control what, in the 1950s, was referred to as "blind infiltration" of the cities by the peasants. Not only did rural residents have to have a permit to leave their village and a work or school permit to enter the city, but periodic drives in the cities rounded up unauthorized residents, and the unemployed and excess manpower to be sent back—to the villages from which they came if they were lucky, and to more distant provinces if they were not. At the same time, millions of urban youths were also "sent down" for temporary or permanent settlement in the countryside. Quite often the movements into and out of the cities occurred simultaneously. From our perspective, all urban to rural migration was forced; from the Chinese perspective, it was political persuasion and social pressures that eventually made people "see the light" and volunteer to leave the city.² Forced or voluntary,

1. The 1964 census total population and its provincial distribution first appeared in 1972 in a Beijing-published world atlas, but without any identification as to date of the figures or their origin. This 1964 urban population was not revealed until 1983.

2. For a more detailed discussion of migration, see Leo A. Orleans, "China's Urban Population: Concepts, Conglomerations, and Concerns," in U.S. Congress, Joint Economic Committee, *China Under the Four Modernizations* (Washington, D.C., 1982), pp. 277–283 (hereafter cited as Orleans, 1982).

TABLE 1 *China's Urban Population*

<i>Year</i>	<i>Year-end</i>	<i>Year-end (1982 definition)</i>	<i>Census (mid-year)</i>
1949	57,650,000 ^a	—	—
1950	61,690,000 ^a	—	—
1951	66,320,000 ^a	—	—
1952	71,630,000 ^a	—	—
1953	77,670,000 ^a	—	77,257,000
1954	81,550,000 ^a	—	—
1955	82,850,000 ^a	—	—
1956	89,150,000 ^a	—	—
1957	99,490,000 ^a	—	—
1958	107,210,000 ^a	—	—
1959	123,710,000 ^a	—	—
1960	130,730,000 ^a	—	—
1961	—	127,070,000 ^a	—
1962	—	116,590,000 ^a	—
1963	—	116,460,000 ^a	—
1964	—	129,500,000 ^a	98,850,000
1965	101,700,000 ^b	130,450,000 ^a	—
1966	—	133,130,000 ^a	—
1967	—	135,480,000 ^a	—
1968	—	138,380,000 ^a	—
1969	—	141,170,000 ^a	—
1970	102,300,000 ^c	144,240,000 ^a	—
1971	—	147,110,000 ^a	—
1972	—	149,350,000 ^a	—
1973	—	153,450,000 ^a	—
1974	—	155,950,000 ^a	—
1975	11,710,000 ^b	160,300,000 ^a	—
1976	—	163,410,000 ^a	—
1977	—	166,690,000 ^a	—
1978	119,940,000 ^d	172,450,000 ^a	—
1979	128,620,000 ^b	184,950,000 ^a	—
1980	134,130,000 ^d	191,400,000 ^a	—

TABLE 1 (*Continued*)

<i>Year</i>	<i>Year-end</i>	<i>Year-end</i> (1982 definition)	<i>Census</i> (mid-year)
1981	138,700,000 ^d	201,710,000 ^a	—
1982	—	211,540,000 ^a	206,589,000

SOURCES:

^a1983 *Zhongguo Tongji Nianjian* (1983 Statistical Yearbook of China) (Hong Kong, 1983), p. 103. This publication includes a series of urban figures, which, until now, either did not exist or had to be assembled from many different sources. In the *Yearbook* the figures are listed chronologically, without any acknowledgment of a change in definitions. From previously published figures, however, it is clear that the new definition was (retrospectively) applied to all urban populations starting with 1961, as indicated in this table.

^b*Zhongguo Jingji Nianjian*, 1981 (Almanac of China's Economy, 1981), in *JPRS*, No. 79546, November 30, 1981, p. 25.

^cZhang Zehou and Chen Yuguang, "The Relationship Between Population Structure and Income Development in China," *Zhongguo hui Kexue* (Social Sciences in China), (Beijing), No. 4, July 10, 1981.

^d*Zhongguo Jingji Nianjian*, 1982 (Almanac of China's Economy, 1982), in *JPRS*, No. 84059, August 8, 1983, p. 446.

NOTE: Do not use figures without reading text.

lacking both quantifiable data on migration and annual statistics on urban vital rates, when it came to estimating China's urban population, the crystal ball was especially murky and inspired few people to ponder it.

What We Know Now

Since the demise of the "gang of four" there has been an impressive acceleration of published population statistics. But while there were numerous articles on urban policies, problems, and processes, figures on urban population were still among the missing, and speech-makers and article-writers continued to refer to "the 80 percent of the population that is rural." One of the first urban figures with an aura of credibility to follow the hiatus of 25 years was a surprisingly low 110 million for 1978,³ cited a number of times but later revised to 120 million. Other figures followed and it became clear that while specialists responsible for producing population statistics were unsure about the size of China's urban population, they were in agreement that it was well under 150 million and under 15% of the total population. Table 1 presents all the data that are currently available on the country's urban population totals, including figures for earlier years only recently released by the State Statistical Bureau (SSB).

3. Xinhua, August 21, 1979, in Foreign Broadcast Information Service (FBIS), August 21, 1979, and elsewhere.

And then came the 1982 census. This third national population count since the establishment of the PRC was an ambitious undertaking, and the results were undoubtedly more accurate than any other similar effort before or after 1949. It took several years to plan and execute, and profited greatly from the material and technical assistance provided by the United Nations Fund for Population Assistance (UNFPA), the participation of advisors from the United States and Japan, and the use of 29 sophisticated computers purchased from the United States. According to the official release of July 1, 1982, China's total population on that date was 1,008,175,288—not a surprise, since it was within a fraction of a percentage of the figure previously derived from national population registers. The census also reported that the country's urban population was 206,588,582, or 20.6% of the total.⁴ This figure, coming as it did immediately after the official 138 million end-of-1981 urban population, was not only a surprise, but a bit of a shock. But no explanation was provided at the time of the census communique. Table 2 presents the previously unavailable provincial distribution of the urban population.

Defining "Urban": The Background

No clear guidelines were provided on what was "urban" for the 1953 census; the subject was discussed, however, in two 1955 documents.⁵ In general, the SSB did not stray too far from the more standard definitions, although it did attempt to adapt Soviet criteria to China's conditions. It was difficult to accommodate these criteria to all the special characteristics of Chinese settlements, but basically "urban" was defined as any settlement with more than 2,500 inhabitants and with over 50% of the labor force engaged in nonagricultural activities, unless it was a local government seat, in which case it did not have to meet the first two criteria. Consequently, many settlements with fewer than 2,000, or even with 1,000 inhabitants and essentially rural characteristics, were nevertheless classified as urban solely because they functioned as local administrative centers, while tens of thousands of rural market towns with 20,000, 30,000, or even more inhabitants were classified as rural in conformance with the set criteria.

Only recently have we become aware that the above definition remained unchanged until 1964 when the minimum number was raised to 3,000 and the proportion of nonagricultural inhabitants to 70%.⁶ Un-

4. The first figures on the 1982 census were released by Xinhua on October 27, 1982, in *FBIS*, October 27, 1982.

5. Orleans, 1982, pp. 271–272.

6. *Zhongguo Tongji Nianjian 1981* (Chinese Statistical Yearbook 1981), (Hong Kong, 1981), p. 276.

TABLE 2 *Provincial Distribution of Urban Population*
(end of 1982, in thousands)

<i>Province/ Municipality</i>	<i>Total Population</i>	<i>Urban Population</i>	
		<i>Number</i>	<i>Percent</i>
Beijing	919	596	64.9
Tianjin	778	532	68.4
Hebei	5,356	740	13.8
Shanxi	2,546	541	21.2
Nei Monggol	1,937	564	29.1
Liaoning	3,592	1,509	42.0
Jilin	2,258	894	39.6
Heilongjiang	3,281	1,309	39.9
Shanghai	1,181	696	58.9
Jiangsu	6,089	954	15.7
Zhejiang	3,924	1,000	25.5
Anhui	5,016	721	14.4
Fujian	2,604	548	21.0
Jiangxi	3,348	643	19.2
Shandong	7,494	1,436	19.2
Henan	7,520	1,025	13.6
Hubei	4,801	849	17.7
Hunan	5,452	818	15.0
Guangdong	5,987	1,107	18.5
Guangxi	3,684	451	12.2
Sichuan	10,022	1,416	14.1
Guizhou	2,875	542	18.9
Yunnan	3,283	411	12.5
Xizang	189	24	12.7
Shaanxi	2,904	548	18.9
Gansu	1,975	313	15.8
Qinghai	393	80	20.4
Ningxia	393	88	22.4
Xinjiang	1,316	375	28.5
Total	1,015,410	211,540	20.8

SOURCE: *Zhongguo Tongji Zhaiyao* (Chinese Statistical Abstracts), (Beijing, 1983), in *JPRS*, No. 84111, August 12, 1983, p. 29. Figures include active servicemen.

doubtedly it was this change that was partly responsible for dropping the 1964 urban population to under 100 million. In theory, the new definition was used until the 1982 census; in fact, it seems safe to suggest that during most of the inter-census period (1964–82) no one really cared or thought much about the problem of how urban population should be defined. Such definitions would basically be of value only to the nonexistent demographers; the needs of the local officials were adequately met by the widely applied and practical urban-rural differentiation: those who received grain from the state (nonagricultural population) and those who shared the grain that was produced (agricultural population).

Changing Settlement Patterns

China has been pursuing many policies that have made the task of defining and delineating urban areas progressively more difficult. Starting in the mid-1950s, large cities began extending their administrative boundaries to incorporate adjacent counties to assure a steady supply of vegetables and other agricultural foodstuffs to the urban population. At the same time, these municipalities, as they are called, started to spread and develop into the newly acquired counties by building industrial and other enterprises, with adjacent housing projects in the midst of grain fields, vegetable patches, and other agricultural activities. By now, millions of workers and peasants are living side by side in residential patterns that are extremely difficult and sometimes impossible to delineate on a map. The process of expanding municipal boundaries is continuing. In 1983, Premier Zhao Ziyang advocated that cities and towns that have attained "an appropriate level of development" should share their economic, scientific, technological, and cultural superiority with the countryside by placing even more adjacent counties under their wing.⁷

At the same time that the cities were attempting to accommodate rural migrants, the countryside was also undergoing a transformation that was changing the composition and the activities of its population. Starting in the early 1960s, and accelerating since then, China started to build a network of small-scale rural industries. Small factories and workshops were established and operated, not only by counties but also by communes, brigades, and even production teams. Using local raw materials, they produced construction materials, farming tools and equipment, fertilizer and other chemicals, irrigation equipment, and a variety of other agricultural inputs and locally needed consumer goods. Although initially the avowed reason for this was to achieve self-sufficiency in the

7. *Renmin Ribao* (People's Daily), July 10, 1983, in *FBIS*, July 20, 1983.

rural areas and to provide greater support for agriculture, it was long assumed, and now admitted by the leadership, that the more important reasons for small and often inefficient rural industries were to absorb the excess rural manpower and to relieve the serious pressures on urban employment and urban population growth. Most recently, the introduction of the rural responsibility system has caused even more peasants to abandon farming and become involved in commercial activities, including the transporting and selling of agricultural and other goods produced by cooperatives established by peasant households. The result, of course, is that a steadily increasing proportion of the rural labor force is involved in nonagricultural activities.

The countryside also changed because of the already mentioned millions of urban youth who were "sent down" to nearby villages or distant provinces for temporary or permanent residence. Many of these better-educated young people ended up supplementing and upgrading the nonagricultural segment of the rural labor force in such fields as public health, education, government, mass organizations, trade, and communications. In all, it can be estimated that about 15% of China's rural labor force is involved primarily in nonagricultural activities.⁸ Unevenly distributed, these laborers constitute a significant proportion of the "non-urban labor force" in the more developed regions that are within the sphere of influence of large cities. Since China is still considered to be populated essentially only by peasants and workers, this "urban" population has caused untold problems to the enumerators of people.

The Problems

Initially, we were confounded by the multiple figures published both for the total urban population and for specific cities over the past decade. Now, there is little doubt how these conflicting statistics arose: Despite the existence of some official guidelines, at every administrative level those individuals responsible for urban population have been engulfed by an incredible statistical and definitional quagmire.

First consider the effects of the changing settlement patterns on the categories of population for which statistics had to be collected and maintained. When showing the distribution of urban and rural population, at least in some areas, a table had to be compiled by local authorities (see Table 3).

Even a developed statistical system would have problems collecting such complex data, relating, as they do, to both the spatial and occupational distribution of the population. In most localities, China did not,

8. Orleans, 1982, p. 276.

TABLE 3 *Total Population*

-
1. Total Urban Population
 - a. Total Population of Cities
 - (1) City Population (nonagricultural population)
 - City Districts
 - Suburban Districts
 - (2) Rural Population (agricultural population)
 - City Districts
 - Suburban Districts
 - b. Total Population of Towns
 - (1) Population of Towns (nonagricultural population)
 - (2) Rural Population (agricultural population)
 2. Total Rural Population
 - a. Agricultural Population
 - b. Nonagricultural Population
-

SOURCE: *Renkou Yanjiu* (Population Research), No. 4, July 29, 1982 (translated by Florence Yuan).

nor does it yet, have the personnel or the experience to assemble such information with any degree of accuracy. As one author pointed out in a population journal, "It is very difficult to differentiate between urban and rural. In the city districts there are inhabitants who are devoted to agriculture. Conversely, in the rural areas, there are a large number of non-agricultural inhabitants who are devoted to sideline occupations in industry and trade Although there are some pure farm households, the number of households which mix agriculture with industry is very high" ⁹ Another author points out that peasants often live in county towns and "cannot be differentiated from the rest of the population without a check of their registration." ¹⁰ Yet they use the land and the facilities within the town.

This confusion between urban and rural is compounded because most of the towns and many of the municipalities do not have well-established and defined boundaries within which to apply the official criteria. In the past, precise lines around towns were unnecessary and seemed superfluous; in more recent years, since new development has caused towns to "have farmland in their midst, while urban construction stands in the

9. *Renkou Yanjiu* (Population Research), No. 4, July 29, 1982 (translated by Florence Yuan).

10. Wang Shiqing and Qi Hanbing, "Views on Several Problems in the Town Plans of Counties," *Chengxiang Jianshe* (Urban and Rural Construction), No. 7, July 5, 1983 (translated by Florence Yuan).

fields," it is not an easy line to draw. There are also other complications. For example, the Xiangfen county seat of Shanxi Province is a town straddling a river, but because each side of the river is administered by different administrative entities, the town is said to be "only a concept but not an administrative establishment." Or take the town that is the seat of Hongtong County. Here the local government has control over the nonagricultural households but not over the peasant households living in town, so that "if the town were used as the statistical unit, it would inevitably create statistics which are untrue."¹¹

Now let us look at some special problems associated with the municipalities. It was already mentioned that the distinguishing characteristic of municipalities, aside from their size, is that they include under their jurisdiction adjacent counties, which, in their own right, can include one or more towns. A schematic picture of a municipality clearly shows the difficulties when urban growth encroaches on rural areas and spills over into adjacent counties and even merges with existing county towns (see Figure 1).

The 1982 Census and the New Definition

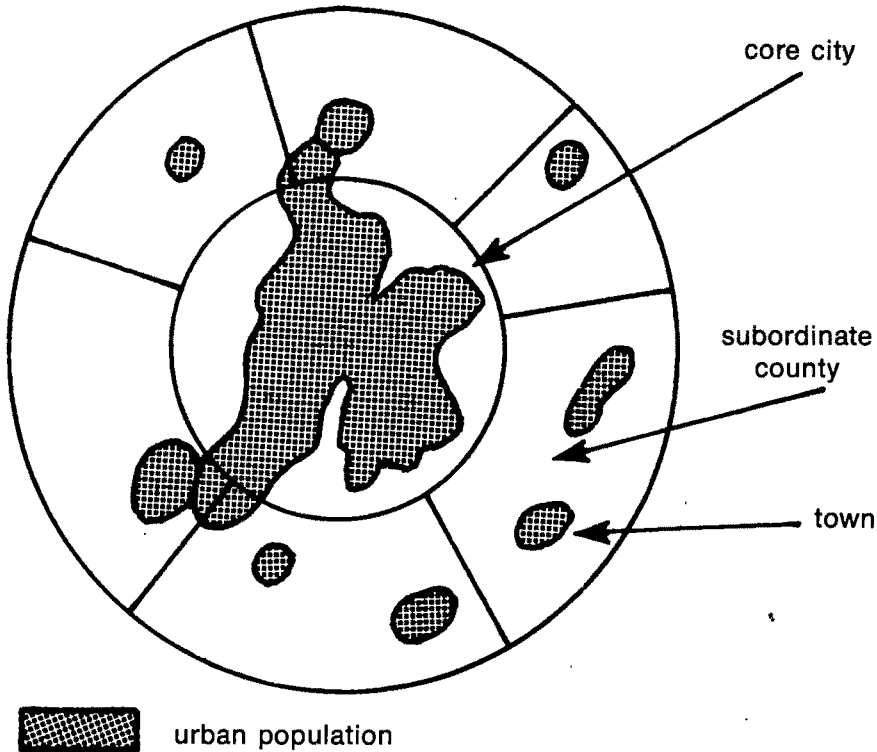
Considering the complex living patterns described above, it is not surprising that the authorities felt some steps should be taken to lessen the confusion and that it was important to do this before the 1982 census enumeration. What changes were made?

Apparently, the basic definition of town and municipality was not changed, but it is useful to have the official definitions given in conjunction with the census results. According to regulations issued by the State Council, "A town is a center of industry and commerce or handicrafts with a population of over 3,000, of which more than 70 percent are not involved in agriculture; or a place with a population of 2,500 to 3,000, of which 85 percent are non-agricultural people, which are under direct administration of county government." The State Council also stipulated that all cities with 100,000 people or more are designated as municipalities; those with less than 100,000 can be municipalities if they are "a provincial government location, an important industrial or mining base, a big commodity collecting and distributing center, or a significant town under direct administration of provincial government in border areas."¹² Table 4 lists municipalities with over a million inhabitants and their distribution between agricultural and nonagricultural population.

11. Ibid.

12. *The 1982 Population Census of China*, English edition, (Hong Kong: Economic Information & Agency, 1982).

FIGURE 1
MUNICIPALITY
(schematic plan)



But if the definitions of towns and municipalities remained unchanged, what caused the jump in urban population figures? It was officially confirmed that prior to 1982 the urban population included all individuals who were supplied with commercial food grain. In other words, the rural population residing within the established boundaries of cities and towns was excluded from the total. The new directive changed this. Although the population of counties under the administration of the municipalities is excluded entirely, the agricultural population living within the city boundaries is now included in the urban sector.¹³ It may

13. Li Chengrui, "The Chinese Population as Shown by the Population Census Communique, and Some Comments on the Accuracy of Chinese Population Statistics," *Jingji Yanjiu* (Economic Research), No. 12, December 20, 1982 (translated by Florence L. Yuan).

TABLE 4 *Municipalities of Over One Million, 1981 and 1982*

<i>Municipality</i>	<i>Province</i>	<i>Year-end Population (in thousands)</i>		
		<i>Total</i>	<i>Excluding Agriculture</i>	
			<i>Total</i>	<i>Percent</i>
Anshan	Liaoning	1,210	1,030	85.1
Baotou	Nei Monggol	1,026*	846	82.5
Beijing	Beijing	5,550	4,770	86.0
Changchun	Jilin	1,740	1,340	77.0
Changsha	Hunan	1,047*	835	79.8
Chengdu	Sichuan	2,470	1,410	57.1
Chongqing	Sichuan	2,650	1,940	73.2
Dalian	Liaoning	1,480	1,240	83.8
Fushun	Liaoning	1,190	1,040	87.4
Fuzhou	Fujian	1,098	690	62.8
Guangzhou	Guangdong	3,120	2,380	76.3
Guiyang	Guizhou	1,296*	827	63.8
Hangzhou	Zhejiang	1,156*	905	78.3
Harbin	Heilongjiang	2,550	2,150	84.3
Huainan	Anhui	1,015*	539	53.1
Jilin	Jilin	1,049*	815	77.7
Jinan	Shandong	1,320	1,040	78.8
Kunming	Yunnan	1,430	1,020	71.3
Lanzhou	Gansu	1,430	1,080	75.5
Nanchang	Jiangxi	1,033*	815	78.9
Nanjing	Jiangsu	2,130	1,740	81.7
Qiqihar	Heilongjiang	1,193*	899	75.4
Qingdao	Shandong	1,180	1,080	91.5
Shanghai	Shanghai	6,270	6,220	99.2
Shenyang	Liaoning	4,020	3,030	75.4
Shijiazhuang	Hebei	1,031*	809	78.5
Taiyuan	Shanxi	1,750	1,280	73.1
Tangshan	Hebei	1,293*	865	66.9
Tianjin	Tianjin	5,230	3,920	84.5
Wuhan	Hubei	3,320	2,730	84.5

TABLE 4 (Continued)

Municipality	Province	Year-end Population (in thousands)		
		Total	Excluding Agriculture	
			Total	Percent
Xian	Shaanxi	2,180	1,610	73.9
Zhengzhou	Henan	1,381*	859	62.2
Zibo	Shandong	2,192*	623	28.4

SOURCES:

1981 figures: *Zhongguo Tongji Nianjian 1981* (Chinese Statistical Yearbook 1981), (Hong Kong, 1982).

1982 figures: *Zhongguo Tongji Zhaiyao* (Chinese Statistical Abstract), (Beijing, 1983), in *JPRS*, No. 84111, August 12, 1983, p. 30.

NOTE: Population totals are for 1982, unless marked by an asterisk, which applies to both columns. The sources identify only 33 of the 38 municipalities that reportedly have over one million inhabitants. Among the likely candidates to close this discrepancy are the following municipalities: Luoyang (Henan), Urumqi (Xinjiang), Hohhot (Nei Monggol), Zaozhuang (Shandong), and Yichun (Heilongjiang). The last two municipalities, although reported to have over a million people, are located in coal mining and forest industry areas, respectively, and are likely to have relatively small nonagricultural populations.

help to understand this if we refer back to the schematic drawing of the municipality. Using the new concept, both the agricultural and nonagricultural population within the inner circle (the core city) is considered urban; the rural population of the counties is excluded, but the population of towns is included as part of the urban population of towns. Table 5 shows the drastic shifts that occur when the municipalities are distributed within population ranges, first including and then excluding the agricultural population residing within the city proper.

An additional stipulation for individuals to be included in the urban sector appeared in the *Beijing Review*. Although apparently not reported elsewhere and difficult to accept at face value, it is worth noting because this is a widely distributed and often-cited publication. In a feature called "Answering Our Readers," the editors state that the "principal reason" for the 68 million increase in the urban population is that "the 1982 calculation includes people whose homes are in the countryside but who have resided in the cities or towns for more than one year."¹⁴ This explanation can be easily misunderstood to mean that residing for one year in a city will forever classify an individual as an urban resident. Since this makes no sense whatsoever, the more likely meaning of the provision is that a peasant must live within the boundaries of a city or town for

14. *Beijing Review*, No. 7, February 14, 1983, p. 28.

TABLE 5 *Distribution of Municipalities by Population Range*
(End of 1982)

<i>Population Ranges</i>	<i>Including Agricultural Population</i>		<i>Excluding Agricultural Population</i>	
	<i>Number</i>	<i>Population</i>	<i>Number</i>	<i>Population</i>
2 million or more	13	43,630,000	7	25,200,000
1 to 2 million	25	31,540,000	13	16,850,000
500,000 to 1 million	47	33,540,000	28	19,930,000
300,000 to 500, 000	46	17,840,000	31	11,940,000
100,000 to 300,000	91	17,310,000	105	19,550,000
Less than 100,000	17	13,000,000	55	3,650,000
Total	239	145,160,000	239	97,120,000

SOURCE: *Zhongguo Tongji Zhaiyao* (Chinese Statistical Abstract), (Beijing, 1983), in *JPRS*, No. 84111, August 12, 1983, p. 31.

at least one year before being included in the urban count. If actually implemented (a questionable assumption), this provision would only increase the confusion and support the contention of some Chinese specialists that "the methods of distinguishing agricultural from non-agricultural population are not quite rational."¹⁵

An important question to consider is whether the changes in the definition are solely responsible for increasing the urban population figure by 68 million. At first glance, it seems possible. Since we know that approximately one-third of the population of all municipalities is occupied in agriculture, their inclusion, as well as the normal growth of towns, and, perhaps, a more inclusive enumeration, might very well account for such an increase in urban population. But nothing is that simple in China. According to the 1982 census, China had 2,664 towns with 61,909,242 people, and 236 municipalities with 144,679,340 inhabitants, for a total urban population of 206,588,582. The problem is, however, that this indicates a drastic decrease in the number of urban localities. The 5,568 urban places (164 municipalities and 5,404 other urban places) reported in 1953¹⁶ were reduced to "over 3,400" in the late 1970s.¹⁷ This is not difficult to explain considering the 1964 change

15. *Tongji* (Statistics), No. 2, June 10, 1981, in *Joint Publications Research Service*, No. 79154, October 6, 1981.

16. Morris B. Ullman, *Cities of Mainland China: 1953 and 1958* (Foreign Manpower Research Office, U.S. Bureau of the Census, August 1961), p. 8.

17. Xinhua, June 24, 1979, in *FBIS*, June 25, 1979.

in urban criteria, which raised the required minimum proportion of nonagricultural population from 50% to 70%. But how does one explain the further reduction to 2,900 urban localities reported by the 1982 census? It now seems that creeping cities absorbed some of the towns and in some instances groups of towns were incorporated into municipalities to become city districts. But these are inadequate reasons to account for 500 urban places, and we can only assume that in the last few years many towns and settlements no longer qualified as urban localities and were dropped from the list of cities and towns.¹⁸ This would suggest that the actual increase in urban population because of the introduction of the new definition in 1982 was greater than 68 million.

Some Conjectures

Now that we know what changes were made in defining urban population, two questions remain for us to consider: Why were they made and what did they accomplish? It has already been mentioned that, at least in theory, the new definition should make it easier to enumerate the targeted population. If the city planners and other responsible cadres manage to draw boundaries for all the cities and towns, then counting noses within established areas should be a considerably less demanding procedure than to count selectively according to the occupations of individual residents. Since records are basically maintained by family unit and there are a growing number of families with mixed occupations, an attempt to classify a given family as belonging to the worker (*gongren*) or peasant (*nongmin*) category would introduce unnecessary complications and errors. In other countries, peasants who work and live in towns would be considered as part of the urban population. In China, however, "due to residence policy, they are not permitted to change their agricultural status when they no longer perform agricultural labor."¹⁹

18. There are indications that some towns dropped by the census are now regaining their urban status. This can be presumed, for example, from a Hunan report that the provincial government "recently approved the *reinstatement* of three towns and the establishment of eight new ones." (*Summary of World Broadcasts*, FE/7417, August 20, 1983). Whereas the 1982 census listed only 186 towns for Hunan, this item reports 225 towns, indicating that this has been a continuing process.

19. Wang and Qi, "Views." This difficulty of changing one's work status from peasant to worker and thus acquiring an urban household registration (*hukou*) is discussed by Jean Oi in a paper entitled "Socialist Clientelism: Collective Agriculture and Peasant Politics in Contemporary China," presented in December 1983 at the Columbia Modern China Seminar. One way of circumventing residential restrictions was mentioned by a Kunming respondent: "A peasant who had moved to the city to be a worker and gained an urban *hukou* might divorce his wife and take the children to live in the city. After he was settled in

Does this mean that the 1982 census has finally produced an accurate figure of China's urban population? The figure itself may indeed be a more accurate representation of the population living within the newly designated boundaries than the previous one, but is it representative of the population having "urban characteristics"? The answer is "no." Other countries also have difficulties in standardizing the urban definition and criteria vary around the world, but in general, the term "urban" does have certain accepted characteristics, none of which accommodates such large rural populations. Furthermore, as we already know, Chinese population specialists and urban planners continue to point out that boundaries do not exist for a large proportion of China's cities and towns, so that the reported urban population (despite its precise appearance) only *approximates* the number of people residing within *approximate* urban boundaries. The exercise of retrospectively estimating the size of the urban population for earlier years using the 1982 definition exhibits considerable courage, but it again indicates how casually the Chinese can manipulate their statistics.

In addition to simplifying the process of enumeration, there is another reason that might well have motivated the authorities to change the urban definition. One of the standard measures of a nation's development is the proportion of the population that is urban—however it may be defined. How could China claim to be a modern nation and demonstrate measurable socioeconomic advances when its urban population made up less than 15% of the total—a proportion lower than that of virtually any developing nation of Asia, Latin America, and even Africa? Never mind that in the eyes of most development specialists—and anyone else who has witnessed the misery of unrestricted urban distension—China's success in controlling migration represents a model worthy of emulation by other nations. When coldly reproduced in international statistical compilations, it could be seen as a denigration of social and economic achievements—and therefore an embarrassment to the system.

No one is likely to dispute that China never had, and is still lacking, a definition of urban population that accommodates both the population settlement patterns and the country's statistical capabilities. Eventually, however, Chinese planners will require more realistic figures for populations with truly urban characteristics, and this will necessitate additional changes in definitions. In the process, some effort will surely be made to address the problem of the rapidly increasing "rurban" population—the

the city the couple would remarry and the family would have legal urban worker status."
(from footnote 23)



tens of millions of people in the countryside who are involved in nonagricultural occupations, but are still designated as rural. China may well add some third category to the urban-rural breakdown, but to do this would require not only continued improvement in the management and analysis of statistics, but also a relaxation in the country's strict and inflexible social structure—a step the Chinese have so far been reluctant to take.

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Editors: ROBERT A. SCALAPINO & LEO E. ROSE

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INDIA—MORE QUESTIONS THAN ANSWERS

W. H. Morris-Jones

The political condition of India at the present time may well appear puzzling. How do those high-powered consultancy firms answer clients who ask whether India is stable or if things are going seriously wrong?

There is nothing new about India's furnishing puzzles for Western eyes. What normally bewilders us is the seeming presence of features that we discern as mutually incompatible. Coherence demands that one set of perceptions must be mistaken. Thus if we learn that in a land characterized by the highest levels of spirituality a large part of human behavior appears to be absorbed in the ardent pursuit of the crudest forms of material gain, we demand to be told on which side the truth lies.

Indians themselves find us in this respect amusingly simple-minded. To them we appear trapped by dichotomies of our own making, bothered by contradictions as we perceive them. We are the "either-or" folk who live in a world of black and white. They see themselves as the relaxed inhabitants of a "both-and" universe, gliding easily along a spectrum where colors shade gently into each other. Every object, act, event is a different thing when seen by different people at different times from different angles.

The unusual thing about present Indian politics is that even Indians find it uncomfortably confusing. Essentially the puzzle is whether, and if so how, the central government can be both enjoying an unprecedented concentration of unchallenged power and showing signs of not being in effective control of a number of disturbing developments.

To Asian and Western perceptions alike this calls for some sort of explanation. A senior official of the Indian government at an informal conference a few months ago addressed himself quite explicitly to this

W. H. Morris-Jones was Director of the Institute of Commonwealth Studies, University of London, until his retirement in 1983.

matter. "We have to understand," he said, "that India is in a great churning process. She is coming to terms with her own social realities." If this is not quite an explanation, it is still more than a posing of the problem. "Churning process" is interesting because while for Westerners—other than dairymen—it might seem merely a vivid phrase to indicate chaos, to Indian ears it echoes the traditional creation myth of the "churning of the oceans"; and this is certainly about chaos, but a chaos out of which comes the birth of the ordered universe. The senior official was admitting to a puzzle but suggesting that the present was a temporary phase of transitional adjustment. That is helpful, but it does not say much about the coming new political universe.

Prime Minister Gandhi's security on the Delhi throne is the outcome of her own achievements as a sheer survivor. Charisma is a word that may or may not be appropriate; it is better to say that the consequence of her building one success on another—itsself the result of patience and determined self-dedication—is that she now carries an aura of impregnability in Delhi. Mrs. Gandhi's supremacy is also linked, of course, to the disparate and therefore ineffectual opposition *mélange* that confronts her but never resembles an alternative government. However, here cause and effect are intertwined: The opposition's weakness stems from, and now augments, the supremacy of the prime minister.

Against this reassuring picture of stability have to be reckoned several sets of troubling developments. The serious unresolved problems of Punjab and Assam are the most obvious of these. Both states are in the grip of different kinds of seething hatreds. Punjab over the past 18 months has been reduced to a condition of serious disaffection among large numbers of the Sikh community, sporadic disorder, and a mounting sense of despairing insecurity. At one level this is no doubt an expression of frustration on the part of political leaders of the Sikh Akali Dal who find themselves—with no Hindu support and not even all the Sikh votes—out of power in what was to have been their own Sikh homeland. But to explain why these normally wheeler-dealer types should now behave as if they might be outflanked by no-compromise extremists, one must shift to another level. This is where one has to recognize that leaders of this distinct religious community have come to fear—and to pass on this fear to hosts of their followers—that unless there is an urgent reinforcement of community identity as such, there is every danger that this Sikh identity will become eroded, that the community will disappear, be reabsorbed by the old Indian sponge-trick into the ample folds of Hinduism from which it emerged 300 years ago. Beyond this level there is yet another where a paradox has to be believed: This fear is the outcome not of adversity but of relative prosperity; the Sikhs have done so well as individual businessmen and farmers that they are in

danger of holding material success to be more precious than the integrity of distinct community.

The case of Assam is not identical. Here too there is a community seized by fear, but it is primarily a community of race and language and the fear comes from real neglect and real deprivation. The Assamese, long accustomed to the relatively unobtrusive infiltration of non-Assamese both as unskilled labor for its plantations and, more important, as Bengalis providing the state with its entrepreneurial and professional elite, have now over recent decades and especially since 1970 suffered a veritable invasion from outside. Most of the newcomers are again Bengalis, but also, as an added element of difference, Muslims. They come from Bengal, but latterly mostly from Bangladesh either through Bengal or, easily enough, directly across the long international frontier. They are cultivators, and, trained in adversity, they have thrived through effort and skill. The Assamese, who have already lost chunks of their former state—taken to form new tribal states (Nagaland, Arunachal, Meghalaya)—now see themselves as likely to be outnumbered, outbought, and even out-voted in their own homelands, as well as inadequately recompensed for the contribution that their products, such as oil and tea, make to the national income.

There is no denying that any government in Delhi would have found headaches in Punjab and Assam. Mrs. Gandhi's government, nevertheless, bears some special responsibility for the extent of the difficulties. In Assam she at the very least failed to discourage her own party from using government office to display indecent haste in getting the immigrants, seen as docile voters, onto the electoral rolls. She added insult to injury by insisting on holding elections in 1983 on those rolls, which heightened anger and produced meaningless results because of the tiny turnout. Only a virtual army of occupation is currently suppressing a condition of civil war. No sign has emerged that any political solution, such as perhaps a weighted vote for the Assamese, has been offered or even considered.

Punjab too reveals this lack of political sense. It is difficult to believe that there was not some stage in the past two years when an offer of a coalition government with the Akali politicians would have found takers, which in turn could have kept the wilder men quiet. That nothing of this sort was, apparently, even considered is connected with a wider phenomenon—the decay of center-state relations. In politics, style is often substance and Mrs. Gandhi's style has transformed these relations from ones of political bargaining to ones akin to feudal tutelage. Or rather, that is what was attempted, but the attempt has backfired. As Nehru understood—admittedly it was easy for him, given his primacy in the club of the freedom-fighters—chief ministers of states, even if they

are of one's own party, are not to be pushed around, for if they have emerged on top in their area they must be men with a real support base. Mrs. Gandhi sought to impose (on those states where her party won office) nominees whose prime qualification was loyalty to her, believing that her approval should suffice to build support at state level. But not so: One after another the retainers failed and every local difficulty became a central headache.

That should have been a sufficiently instructive humiliation. But there was worse to come. In two consistently strong Congress states in the South, Andhra and Karnataka, new opposition regional party formations won astonishing victories in the 1983 state elections. Moreover, the victors proceeded to call meetings of other like-minded chief ministers and other opposition parties where the mismanagement of center-state relations was loudly denounced. Indeed, it may well be that India's federal compact of 1950 will have to be substantially revised. Whether the commission that Mrs. Gandhi set up to examine these matters will prove to be a route to agreed constitutional change or merely a sop to silence, the regionalist surge remains to be seen.

Defeat at the hands of new regional groupings should perhaps have suggested to those in command that there were limits to political centralization and that it would be wise to recognize these. Yet the opposite conclusion appears to have been drawn: Electoral defeat was not to be accepted, rather it was to be reversed by other means. That, at any rate, was the impression widely conveyed by the behavior of Congress (I) followers in Karnataka and also in West Bengal (whose Communist Party-Marxist government can in this context be subsumed within the regionalist category). Whether these destabilization activities, allegedly a nice mixture of carrots (in cash bribes to members of state legislative assemblies to cross the floor) and sticks (on the streets), were inspired or merely condoned by Delhi is rather ambiguous, but Mrs. Gandhi did not strive unduly to deflect the blame or credit.

What might be judged petulant and rather ill-advised in Karnataka assumed the quite different status of unbelievably dangerous folly when practiced in, of all places, Kashmir. Yet the process began almost as soon as the June 1983 election results were announced. Let it be conceded that this state has a less than spotless record in the matter of free and fair elections. The National Conference under the new leadership of Farooq Abdullah did, however, win a handsomely clear victory. It can also be admitted that Abdullah might have guessed that his relations with the prime minister would not be improved by his enthusiastic hosting of the conference of those chief ministers and others with anti-Center axes to grind. Yet when all allowances have been made, this was strange ground

for Delhi to choose for confrontation: Kashmir is India's only Muslim-majority state, to which many Indian Muslims would not be indifferent; Kashmir has a record of center-state distrust second to none, illustrated by the need felt even by Nehru to imprison his friend, Sheikh Abdullah, Farooq's father; Kashmir is not a border state merely but one for which the neighbor sustains an interested grudge.

A couple of decades ago in the testing time of the 1965 Indo-Pak War, Kashmiris showed no ardent love for Pakistan; it is unlikely that votes for Farooq meant any more sympathy for Pakistan than did votes for the Sheikh. But distrust of Delhi domination has never diminished and the marked presence of the Indian Army has not been a matter for pride and joy locally. When, in October 1983, portions of the cricket match crowd at Srinagar booed the Indian side and cheered their Caribbean opponents, it was a measure of the resentments to be overcome. They have not been overcome; indeed, to understand subsequent events one has to imagine how any sane adviser would have warned Delhi *not* to behave. Farooq has publicly accused Congress (I) of channeling large sums of money to its followers in Kashmir for purposes of bribery, arson, and looting. It is, incredibly, as if Congress (I) was trying to act as recruiting office for the Kashmir Liberation Army, the killers in February 1983 of an Indian diplomat in England.

The new regional assertiveness need not be destructive of the Union; though prompted by central mismanagement, it can still be accommodated and contained by political and, if necessary, constitutional adjustment. The real worry arises because behind the decay of federal political relations lies another weakness. The secret of the success of the Indian political system of the 1950s and 1960s was not merely the use by Nehru of a politically sensitive loose rein; all-India coherence was achieved with the aid of two crucial strands, woven together to make a fabric that was at once flexible and tough: the Congress Party and the "steel frame" of the administrative services. Both had previously served to join each level to the others, from the national capital through state and district virtually to the village. Both have been reduced during the past decade to shreds of their former selves.

Congress, the center-piece of the "dominant party" system, did more than link levels; it was itself a coalition of interests and ideologies and each of its segments interacted with opposition parties located at different points on the political spectrum. In other words, the point about the dominant party system was not crudely numerical but more subtly political; Congress was a key mechanism in the processes of political representation and responsible government. This is what is now increasingly missing. Indira's Congress keeps the old name and adds a new one, but the

reality is that the new has presided over the destruction of the old. Congress, no doubt, had always had its shabby side but at least it was an institution, and a formidable one at that. As an institution, with its own internal articulation and external relations, Congress has ceased to exist; with its demise even the opposition parties are without their bearings. Some political leaders rise through institutions that they learn to manage; personal success and institution-building are then compatible, mutually supportive. Mrs. Gandhi is not of that kind; her own rise has entailed the dismantling of the structure she inherited. The internal mechanisms of the party have long since ceased to function, and the gesture of entrusting the task of party revitalization to the combination of young Rajiv Gandhi and the oft-retired Tripathi is without significance. The Indira Congress is no more than a bandwagon running on opportunism colored to look like fealty to the queen.

If Congress has been dismantled, the administration has been demoralized. The process that began when Mrs. Gandhi demanded ambiguously of civil servants that they should show "commitment" has by now unambiguously produced an administration that has lost its service pride and integrity. Shot through with a kind of politicization—say rather, a calculating course of personal survival through obeisance to all ministerial wishes—the vaunted "steel frame" has come to resemble porous foam rubber. Its former regularities were no doubt over-rigid, but the remedies have proved much worse than the disease. The older civil servants adjust with varying degrees of difficulty, or get out. The younger ones may be more flexible—or they may decide not to come in, preferring instead the more conventional risks of the private sector.

The steady erosion of two such key institutions inevitably creates a vacuum that feudal-style fealty cannot fill. No wonder there is "a churning process," but is there any sign that in this India is "coming to terms with its social realities"? In one sense and to some degree there is. With the decline of party—not simply Congress, but through systemic infection, most of the rest—one would expect that other older, more ascriptive loyalties would enjoy a revival. Instead of having to work through, and be absorbed by structures of party politics, these older loyalties do appear to show renewed boldness and vigor. Rival interests express themselves less in confused ideological garb than through affiliations of religion, caste, or linguistic community. This can be seen in the behavior of politicians, in the new prevalence of communal violence involving especially harijans (untouchables) and Muslims, and illustrated by the extraordinary awakening of dormant communalism in the relatively secular state of Kerala. It may even be that this is a general influence contributing to the bitterness of sentiments in Punjab, Assam, and Kashmir.

But the other consequence to be expected from the double vacuum is surely anomic behavior. It is difficult not to see two forms of this present in India today on an unprecedented scale. The first is a marked deterioration in law and order. Most attention is given, in the press and in polite conversation, to the impact in urban areas, where robbery and burglary are said to have increased sharply. Also essentially urban is India's novel contribution to categories of crime in the form of the "dowry death" killings of young brides—surely the most despicable of any kind of criminal rapacity. Crime is not, of course, to be linked directly to the erosion of political institutions; it is, however, to be seen as a consequence both of diminishing individual or family checks on antisocial behavior and of heightened expectations of not being apprehended by the police. The latter factor is crucial to the area of rural crime, also much increased but less publicized. The scale and brutality of village violence in some parts of North India have reached horror proportions, and there can be little doubt that here a central factor is the degeneration of the police, now increasingly an arm, not of the law, but of the interest or whim of local political powers.

The second and no less depressing form of anomic conduct is of course corruption. There has probably never been a time when the visitor to India would not be regaled with gossip about the scandal of this fat bribe or that huge ill-gotten gain or the other large-scale bit of nepotism. But here too there has been an increase of scale, coupled perhaps with an attitude of despairing acceptance. A few months ago, a named reporter gave a detailed account in his newspaper of the sums of money received by relatives of ministers and senior civil servants through improper sales of illegally felled trees in one state. When the chief justice was asked whether the writer would not fear prosecution for libel, he laughed long and loud. "Fear, did you say? On the contrary, he is praying to be prosecuted. What he has revealed is only part of the truth; the rest would come out in court. His prayers will not be answered; the guilty will not risk further exposure." In this particular instance there were a few resignations a little later. But in how many cases of even greater corruption is there total silence outside the gossip circles?

Sometimes all the talk of corruption leads one to contemplate the idea that corruption might actually have *become* the system that filled the vacuum. After all, that could be said of city government in parts of North America in the last century or of the Philippines today; an account of these systems chiefly entails plotting the channels along which the money flows. Could this be the meaning of "coming to terms with Indian social realities?" Almost certainly it was not what was meant by the phrase; and it is too long ago to remember whether this was at all intended when *The*

Times spoke of "the Indianisation of Indian politics." But it is an ugly possible meaning, and there has been a weakening of some of the checks against its becoming valid. Some Indians will worry more about this than will the client of the consultancy firms, who can soon adjust.

Overall, therefore, especially since in any case the relation between corruption and stability is hazy and tricky, the clients should continue to be told that India is a safe bet, not a serious instability risk. But they should not be told—would they care anyway?—that the federal democracy is in fine shape when it is not. And they should be reminded of some of the things that surface in "a great churning process" when what is involved is not milk but politics.

THE RUBBER INDUSTRY IN SRI LANKA

Dilemmas in Development Policy

H. M. G. Herath

The rubber industry occupies an important place in the economy of Sri Lanka. Rubber is the second most important plantation crop and is one of the country's main foreign exchange earners. This industry has provided employment for nearly 500,000 persons both directly and indirectly in Sri Lanka's 196,000 rubber holdings and in various stages of processing up to shipment.¹

When rubber was first introduced into Sri Lanka in the latter part of the 19th century, it was grown only on large estates (mainly British owned). In 1900, 1750 acres of rubber were reported. The slump in tea prices stimulated the growth of rubber cultivation after 1900, and by 1920 450,000 acres were under rubber. There was also considerable foreign investment in rubber at this time. With the increase in acreage, the country's exportable capacity continued to grow, and rubber became a significant export crop in Sri Lanka early in the century. Both acreage and output continued to expand until the 1930s, after which the rate of growth slowed. The lowest production was recorded in 1932, when depressed conditions affected the industry. Some of the foreign estates shifted into the hands of the Ceylonese during the depression years when closed-down estates were liquidated. Another upswing occurred in 1933-34 with the revival in business conditions. This was immediately followed by the international rubber regulation agreement, in force during 1934-41.³ There was also a considerable and growing number of small-holders by this time.³

H. M. G. Herath is Head and Lecturer, Department of Agricultural Economics, Faculty of Agriculture, Peradeniya University, Peradeniya, Sri Lanka.

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1. W. G. Jayasena and H. M. G. Herath, "Socio-Economic Conditions of Rubber Smallholders in Sri Lanka" (Report submitted to the Agrarian Training and Research Institute, Colombo, July 1982).

2. The international rubber regulation agreement of 1934 was aimed at providing a particular quota for each country based on average exports of a specified period. This scheme prohibited new plantations.

3. All holdings below 10 acres were classified as smallholdings.

In 1942 Sri Lanka was the main supplier of rubber for the allied war effort. The regulation agreement was rescinded, and producers were encouraged to tap to the maximum and even exhorted to slaughter tap up to 20% of the area in order to receive a replanting grant of 45 pounds per acre.⁴

The period after the 1940s constituted a turning point in the history of the rubber industry in Sri Lanka. Some of the early plantings were now becoming old,⁵ and the slaughter tapping introduced during the war left a decadent industry with a considerable amount of rubber already overaged by the 1940s. It was necessary to increase production efficiency because a large synthetic industry in the main consuming countries was challenging the competitive position and long-run prospects of natural rubber. Also emerging were claims to accommodate domestic needs such as employment in the plantation sector by bringing about changes in ownership and distribution of benefits.⁶ The response to these needs was marked by significant changes in Sri Lankan rubber policies. These new policies caused a fundamental and wide-ranging transformation of the rubber industry in Sri Lanka. The manner in which rubber policy and other economic policies coped with the challenge of development of different sectors of the economy was very largely conditioned by a constellation of interests, institutions, and attitudes. These interests linked the development of the rubber industry to the political system, and these links produced such ambivalence that policies introduced with constructive intent during the 1950s manifestly failed to arrest a general deterioration of the industry. This article highlights some of the policy dilemmas and organizational problems that have beset Sri Lankan rubber over the past three decades.

The Replanting Policy

Although the need for replanting appeared doubly imperative after the 1940s, no specific policy existed to systematize it. The replanting undertaken was the result of the entrepreneurship of individual estates, and for many, replanting remained a secondary activity. The first signs of a serious lapse in replanting was manifested by the Whitelaw-Perera commission, which estimated that nearly 175,000 acres (70,850 ha) were

4. Slaughter tapping refers to very intensive tapping in which more spirals are tapped frequently.

5. Rubber generally gives good yields up to about 30 years of age and then begins to decline as senescence sets in.

6. These claims were most pronounced after 1948 when Sri Lanka achieved independence from Britain.

already uneconomic by 1947.⁷ By 1950, only about 8% of Sri Lanka's total rubber had been replaced since 1934. The Korean war boom, during which rubber prices increased to unprecedented levels, helped some estates to replant some of their exhausted plantings. The first policy in streamlining replanting activities was the establishment of a rubber replanting subsidy scheme (RRSS) in 1953. The main objective of the RRSS was to assist farmers in covering some replanting costs. This was necessary because replacement of a continuously yielding asset requires deferment of present incomes, which may be a serious constraint, particularly on smallholders.

The amount of subsidy differed for large estates, medium estates, and smallholders (see Table 1).⁸ The pattern of replanting during the period 1953–80 is given in Table 2. The conflict of policy is evident in the replanting pattern of the three groups. From the inception of the RRSS in 1953 up to 1956, large estates were replanted to a greater extent than medium estates. After 1956, replanting by large estates fell dramatically. A factor of great significance that affected replanting by large estates was the climate of uncertainty created by government threats to nationalize foreign assets. There was no significant activity at this time to bring about wide-ranging reforms in ownership of holdings or in holding patterns, and nationalization enunciated ostensibly for distributive justice was mainly intended to further political objectives. However, the threats were sufficient to scare away the large estates, many of which were still foreign owned. These large estates also possessed international mobility of capital. So there was substantial underinvestment of capital on replanting by the large estates and a movement of capital elsewhere.⁹ Foreign assets were gradually transferred to the hands of the Ceylonese as estate owners began to sell some of the properties to local people.

Thus the policy of nationalization ran counter to the interests of the rubber industry and negated whatever benefits would have been generated by the subsidy. Nationalization posed no threat to the medium estates or the smallholders, however. The replanting by the medium estates was satisfactory until 1958, and the smallholders showed an even better replanting response than either the large or medium estates. Smallholder replanting began to decline only after 1963. After the end of the 1950s, other factors began to emerge that exacerbated these declines in replanting.

7. G. Wijepala and Y. D. A. Senanayake, "A Study of Ceylon's Rubber Replanting Subsidy Scheme," *Journal of the National Agriculture Society of Ceylon*, 7 (1970), pp. 69–91.

8. Large estates are those with more than 100 acres; medium estates have 10–100 acres.

9. There was not only a movement of capital but also management when the old planters left Sri Lanka, taking with them technical skills.

TABLE 1 Rubber Replanting Subsidy Rates, 1953-79 (rupees/acre)

<i>Effective Period</i>	<i>Large Estates</i>	<i>Medium Estates</i>	<i>Smallholders</i>
May 1, 1953 to Nov. 1, 1961	700	900	1,000
Nov. 2, 1961 to Nov. 1, 1965	1,000	1,100	1,200
Nov. 2, 1965 to June 7, 1974	1,400	1,500	1,500
June 8, 1974 to Nov. 15, 1977	2,000	2,000	2,000
Nov. 16, 1977 to Nov. 15, 1978	3,000	3,000	3,000
Nov. 16, 1978 to Aug. 31, 1979	4,000	4,000	4,000
Sept. 1, 1979 to Nov. 14, 1979	5,000	5,000	5,000

SOURCE: Rubber Controllers Department, Colombo, Sri Lanka.

TABLE 2 Rubber Replanted in Sri Lanka, 1953-80 (five year averages)

Year	Estates over 100 acres		Estates 10-100 acres		Smallholdings (below 10 acres)		Total	
	Acres replanted	Percentage of total	Acres replanted	Percentage of total	Acres replanted	Percentage of total	Acres replanted	Percentage of total
1953-57	43,660	26.7	28,743	34.9	23,575	18.5	95,978	25.7
1958-62	35,708	21.9	22,552	27.4	35,442	27.7	93,702	25.1
1963-67	25,638	15.7	14,969	18.2	24,026	18.8	64,633	17.3
1968-72	26,736	16.4	8,282	10.1	17,259	13.5	52,277	14.0
1973-77	17,497	10.7	4,246	5.2	13,352	10.5	35,095	9.4
1978-80	14,129	8.6	3,475	4.2	14,088	11.0	31,692	8.5
Total	163,368	100.0	82,267	100.0	127,742	100.0	373,377	100.0

SOURCE: Rubber Controllers' Department, Colombo, Sri Lanka.

The Price Factor

The anxiety over nationalization continued in varying degrees. Replanting of rubber showed a consistent decline over the years, and these trends were aggravated by the price of rubber, which began to fluctuate in 1958. After 1962, there was a continuous decline in prices until about 1974.¹⁰ Falling prices began to erode profitability for most rubber producers, but had the greatest impact on the large estates. The organizational structure of large estates was such that they tended to have high fixed costs. They have a manager or superintendent and also maintain a resident labor force. Wages represent the major cost item in rubber production, and some minimum housing, social and other amenities have to be provided for such labor. Hence there was some inflexibility among the large estates in making short-run adjustments in their labor structure in response to the fortunes of the industry. Thus at a time when smallholders or even medium estates might be able to dispense with labor in response to the changing prosperity of the industry, the large estates still had to carry a heavy labor force. The result was the quick erosion of profitability of rubber for most estates. By the end of the 1950s, most estates were earning less than an economic rate of return,¹¹ at a time when other forces were also acting against the rubber industry. The net result of these developments was a drastic reduction of replanting of rubber.

While the investment climate was bad for the large estates, it was not any better for the medium estates. The rate of replanting began to decline for medium estates in 1958, and for smallholders in 1963, although their profitability did not erode as quickly as for the large estates. This is obvious since much of the labor used by smallholders came from their own families, and even costs that are incurred are not very high. When hired labor is used, the cash costs are relatively small. And smallholders are not burdened by income and profit taxes. Thus replanting began to decline much later, but this trend was not reversed by subsequent policy. Intermittent changes in the subsidy were made, but this was inadequate to arrest the decline in replanting. It is an irony that governments so concerned with the fortunes of the industry remained oblivious to the importance of some form of price protection. A floor price scheme was introduced in 1973,¹² but the subsequent

10. Government of Ceylon, *Annual Reports of the Rubber Controller*, 1953-73 (Colombo).

11. N. Ramachandran, *Foreign Plantation Investment of Ceylon 1889-1958* (Colombo: Central Bank of Ceylon, 1963).

12. The floor price scheme only supplements the difference between the floor price and market price. No further involvement in terms of price was evident.

replanting indicates that this policy had no significant impact on replanting.

Two further issues defeated the influence of rubber policy in modernizing that sector of the economy. First, government campaigns to promote other minor export crops such as cocoa and coffee attracted many rubber growers.¹³ A subsidy scheme existed for these crops too. This policy, by inadequately treating the needs of rubber development and encouraging deployment of resources toward other crops, discouraged replanting and precipitated a grievous deterioration of the rubber industry. This trend was further exacerbated by the Land Reform Law of 1972 and the Amendment Act of 1975 whereby the entire plantation sector came under state control. Several efforts were made to introduce new forms of management, for example, the Janata Estates Development Board (JEDB) and Janawasama (collective farms). The new forms of management by and large helped the government to secure control of the existing systems of production on estates, but this involved more a change of persons than a change of management. Studies in the post-land-reform period indicate that there has been no qualitative change in the life of the workers. Recent studies also show that after nationalization, Sri Lanka's state sector was used to expand employment often at the will of the local politician.¹⁴ After several years of nationalization, estates are still run by unskilled labor gangs on a daily basis. It is clear that since nationalization, no significant change has been made in the production organization of the estates. In terms of technological innovation, the improvements that have taken place are not appreciable. Thus these policies, which existed side-by-side with rubber policy, negated to a large extent the efforts to rejuvenate the rubber industry.

Processing and Marketing

Rubber is marketed as ribbed smoked sheets (RSS), and a mix of grades is usually produced by the different producers. It was observed that the quality of processed output was not high, particularly among the smallholders, because of the lack of good facilities.¹⁵ Since the price obtained depends on the group in which the rubber is classified, upgrading the quality of made rubber is an important issue. In order to help the

13. The prices of most minor export crops were favorable and rubber land could easily be transferred to these crops. An even more compelling reason is that most of these crops had a shorter maturation period.

14. S. W. Ranasinghe, "Plantation Economy and the Marginalisation of Labour with Special Reference to Sri Lanka," *Labour, Capital and Society*, 15:1 (April 1982), pp. 64-79.

15. Jayansena and Herath, "Socio-Economic Conditions."

smallholders improve their rubber quality, Group Processing Centres (GPCs) were established to provide centralized facilities for coagulation, rolling, and smoking. Group processing can also contribute to the lowering of costs because of economies of scale, and provide a greater bargaining power to the producers in selling their produce. These are also centers for the dissemination of information. Studies have revealed, however, that the success of the GPCs in different districts is not uniform. Some districts have performed well, whereas in others the percentage of higher quality rubber produced in the GPCs is not significantly greater than that of private processors.¹⁶ However, overall the GPCs have served a useful function for the smallholders. The GPC system is not widespread, so its capacity to benefit the smallholders is constrained. The number of GPCs is very small to serve a wide spectrum of farmers. For example, Ratnapura, Kalutara, and the Kegalle districts have 12, 36, and 24 GPCs, respectively, hardly sufficient to cater to a large population.

In respect to marketing, it is worth noting that approximately 90% of the rubber produced is marketed through private dealers. Although the government has Commodity Purchasing Depots (CPDs), only about 10% of the rubber produced is marketed through them. The private dealers are more accessible because of their greater numbers in most areas. A survey in Ratnapura district indicated that 60.3% of the farmers are located within two miles of the private dealers. The rubber-producing areas are segmented into natural markets, each with its own business center as its hub and a configuration depending upon the topography and upon transportation facilities. A small village market off the highway system might typically have one to four shops buying rubber. The smallholders market is thus rigidly defined by the cost of transport.

The CPDs may not be located in these natural areas, and obviously selling to CPDs under such circumstances will not be profitable after allowing for high transport costs. Another important feature that has entrenched the private dealer as the only market outlet for the smallholders is the informal trade links existing among the farmers and private dealers. The private dealers retail many goods and often do so on credit, and they sometimes disburse credit itself for the smallholders' urgent needs. These disbursements are often made on an informal basis. Such services are not matched by the CPDs. From the perspective of the farmers, these dealers perform an essential function and thus are indispensable. The opportunity to shift patronage from one dealer to another

16. The Kalutara district has shown the best results by producing 51.6% of RSS1. However, in the Kegalle district the GPCs produced only 2.0% of RSS1. See *ibid.*

is also limited since it takes time to establish the informal service links with new dealers. Thus, the several dealers found in any locality would not mean competition to bargain for a better price. The conditions simulate monopsony to some degree.¹⁷ Thus, despite government involvement, the predominance of the private dealer has resulted in a market structure that has accommodated the poor and variable quality of production rather than encourage improvement and standardization, with the result that the quality of the Sri Lankan rubber currently produced and processed is not much different from what it has been for many decades.

Organizational and Administrative Problems

Most of the programs designed to help farmers are beset with administrative and organizational problems that have jeopardized their potential for improvement. The GPCs established for upgrading quality are often said to have practiced underweighing and downgrading. Also, the GPCs provide no guarantee of a good price although better prices are often received than from private dealers. Most GPCs lack basic amenities such as clean water and utensils. Some farmers have been bypassed for such flimsy reasons as political affiliation with a specific ideology.

The CPDs established to provide a market outlet require farmers to register before selling. In cases where there is no registration, farmers must forward certification by the Rubber Extension Officer (REO) to the CPDs. No ready cash is provided, and sometimes underweighing and downgrading are reported. The CPDs also offer no other services such as credit facilities, so in this respect cannot offer any competition to the private dealers.

The smooth operation of the subsidy is constrained by several bureaucratic procedures. For example, rubber land must be registered with the Rubber Control Department, and the subsidy is paid only to registered rubber holders. But registration itself is very dilatory, and the average estimated time for registration is in the range of 8–10 months.¹⁸ Approximately 10% of rubber land is unregistered, and these farmers are not entitled to the subsidy. But the cumbersome registration procedure deters most of these farmers from making any attempt to register their holdings.

17. Similar monopsony conditions have been reported for Malayan rubber. See C. R. Wharton, "Marketing, Merchandising and Moneylending: A Note on Middlemen Monopsony in Malaya," *Malayan Economic Review*, No. 2 (1962), pp. 24–44.

18. "Evaluation Plan of the Smallholder Rubber Rehabilitation Project," Board Paper No. 532, Agrarian Research and Training Institute, Colombo, 1981.

In addition, the farmers experience other innumerable problems in obtaining the subsidy. Most smallholders face many difficulties even in forwarding an application. The procedure is too cumbersome, and inordinate delays occur in the processing of applications. Investigations revealed that only about 50% of the applications are issued in a year, with some farmers experiencing delays of more than one year. Thus these schemes retained long-standing bureaucratic procedures and failed to take account of the structural, technical, and socioeconomic difficulties in a peasant plantation economy, and the industry continued its downward slide.

Research Bias

The industry structure was transformed in favor of more smallholders concomitant with the fragmentation of estates. Presently, one-third of all rubber lands are in smallholdings. The political attitudes toward the smallholders also changed, and they came to be accepted as an important sector in the industry. However, institutional changes did not occur rapidly enough to accommodate the specific needs of smallholders. The bias against them in marketing, transportation, and administration have already been referred to. In addition, smallholders had to endure partiality even in the research sphere.¹⁹ When the research institutes were originally established, research priorities in rubber were directed toward the needs of the estates. For example, the new varieties developed were more capital intensive and are better suited for estates than for capital-starved smallholders. The latter have an abundance of labor, but very little attempt has been made by any research institute to explore the feasibility of labor intensive techniques or technologies. The research on stimulants, the lack of research on intercropping etc., are further examples of this bias. So even though the number of smallholders increased, a parallel change in research orientation to serve them did not occur. This policy with respect to rubber research exacerbated the smallholders' state of deprivation. This had the effect of weakening the very sector that enjoyed a greater degree of economy and flexibility and might therefore relieve the worst socioeconomic afflictions of peasant agriculture. Instead of pursuing this advantage, the structurally rigid estates-oriented research policy continued to stifle the latent peasant potential for rural development.

19. C. Barlow and O. S. Peries, "On Some Biases in the Generation of Technologies by Rubber Research Institutes," *Journal of the Rubber Research Institute of Sri Lanka*, 54:2 (1977), pp. 445-459.

Concluding Observations

It is apparent from the foregoing discussion that the rubber industry in Sri Lanka underwent a major transformation within the short time span of about 80 years. The most significant changes occurred with respect to ownership of rubber holdings and the pattern of holdings. Foreign ownership gradually declined, and more rubber came under local ownership. The smallholders emerged as a strong sector in the industry. These changes were brought about by increasing domestic political pressure, particularly after independence. Although these structural changes occurred, the institutions related to rubber showed no appropriate adaptation to meet the needs of the new industry. Instead, these institutions retained their colonial bureaucratic stance and contributed little to improving the industry. There was also a single-minded pursuit of certain policies (e.g. the replanting subsidy) without even considering alternatives such as price policies. The net result was the gradual deterioration of an industry that had so generously contributed to foreign exchange earnings. Since these problems have now been identified in the World Bank-sponsored smallholder rubber rehabilitation project, it is hoped that more enlightened policies will accelerate replanting and also release the growth potential of the hitherto neglected smallholders. These transformations, if they occur, would have far-reaching economic and social implications, and rubber may again be restored to a paramount position in the economic structure of the country.

THE WEPTO OPTION

Japan's New Role in East Asia/Pacific Collective Security

Yatsuhiro Nakagawa

Toward a Global Western Alliance Organization

The buildup of Soviet military forces in East Asia and the Pacific since the mid-1970s has been striking. Today, Soviet military influence threatens to extend over the entire region. Despite this alarming development, the region's Western-aligned nations¹ have hardly made any attempt to create a new collective security system. The basic framework for the regional security of the West Pacific remains virtually as it was in the 1950s.

There appear to be two major reasons for this failure. The first is that the nations that are located in the East Asia/Pacific theater front are racially, historically, culturally, and economically different from each other, have not always had common interests, and have had mutually diverse ties for a long time. The second reason lies in the region's large number of island nations that are geographically far apart. As a result, there has been a great disparity in the extent to which they are threatened by the Soviets and indeed in how they perceive this threat. Nevertheless, since the end of the 1970s, these nations have all come to have in common the fact that they are confronted by a massive Soviet military machine. The emergence of the Soviets' ocean-going fleet since the "Okean '75" exercise, the reinforced Pacific fleet, and the use of Soviet air- and seapower based in Da Nang and Cam Ranh Bay have placed in danger the security of the Sea Lanes of Communication (SLOC), on

Yatsuhiro Nakagawa is Associate Professor of Political Science at the University of Tsukuba, Japan.

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1. The term "Western-aligned nations in the East Asia and Pacific theater" here means Japan, South Korea, the five ASEAN nations (Philippines, Indonesia, Malaysia, Thailand, and Singapore), Australia, New Zealand, and the United States. Taiwan (Republic of China) is omitted.

which the region's Western nations rely for trade. At the same time, all of the countries of ASEAN have felt the threat of aggression from Vietnam since that Soviet satellite's invasion of neighboring Kampuchea. Further emphasizing the need for taking joint action to respond to the use of Soviet power is the deployment of the latest Soviet theater nuclear missile, the SS-20, in Asia where it is targeted on Japan, South Korea, the Philippines, and U.S. bases in Guam.

From the 1970s on, the mutual ties and degree of interdependence among the ten Western-aligned nations of the region have rapidly grown stronger, showing signs that the time is now ripe for the construction of a new collective security system in the East Asia/Pacific theater. For the building of such a system, there are essentially two alternatives from which to choose. The first way is the rapid establishment of a West Pacific Treaty Organization (WEPTO), a regional collective security pact system like NATO. The second course is not as comprehensive as the first since it calls for a more gradual transition from existing bilateral and multinational defense pacts to a more multinational regional defense organization. Realistically speaking, the most fruitful course of action would be to first implement the second method, and then study the need for a WEPTO-like system.

Regardless of which of these solutions is to be chosen, the region's Western-aligned nations must strengthen their solidarity in the face of the growing Soviet threat in the 1980s, and they must do it soon. Were WEPTO established and able to cooperate and integrate with NATO, it would represent the creation of a completely new and powerful international institution for the maintenance of peace, and would no doubt function much more effectively than the United Nations, which has already become thoroughly fossilized. Secretary of State Muskie dubbed this Western alliance "a Second United Nations,"² which would exclude the Soviet Union, a nation that regularly acts in violation of the U.N. Charter.

At present, there are six security pacts existing among Western and Western-aligned nations in East Asia and the Pacific:

1. U.S.-Philippine Mutual Defense Treaty (effective April 1952)
2. Australia, New Zealand, United States Security Treaty (effective April 1952)
3. U.S.-Japan Security Treaty (effective April 1952; amended 1960)
4. U.S.-Republic of Korea Mutual Defense Treaty (effective November 1954)

2. In response to a question in a Kyodo Agency interview, December 19, 1980.

5. U.S.-Thailand Alliance (based on 1954 Manila Treaty)
6. Singapore-Malaysia-Australia-New Zealand-Great Britain Five Nation Defense Agreement (1971)

There are several other important international relationships that ought not be overlooked. The first is, of course, ASEAN. Established in 1967, ASEAN was not formed with the intention of assuring collective security. With Vietnam's invasion of Kampuchea and the concentration of Soviet naval forces at Vietnamese bases, however, the ASEAN member states have gradually come to include collective security within the scope of their cooperation.³ In addition, while not carried on as part of the ASEAN organization, there are in actuality close defense ties among each of the ASEAN member states and between the ASEAN nations and other Pacific powers. These include a joint naval exercise between Malaysia, Thailand, and Indonesia (November 1979), a joint naval drill conducted by Singapore and the U.S. 7th Fleet (April 1980), joint naval exercises between Singapore and Indonesia (September 1980), and Thai-Indonesian joint air and sea exercises (January 1981).⁴ In the years to come, this organization is destined to play a decisive role in establishing the framework for collective security in East Asia and the Pacific.

Another important factor is the long history of alliance existing between the Philippines, Thailand, Australia, New Zealand, the U.S., and Great Britain under the Southeast Asia Treaty Organization (SEATO), which was dismantled in 1977. This experience will no doubt be a key factor in any future regional security framework. While SEATO has ceased to exist, the treaty on which it was based still remains in effect. Similarly, the *de facto* alliance between the U.S. and Taiwan should not be neglected, although the mutual defense treaty was terminated in 1980.

Promising Australian Initiative

Apart from the U.S., the country most able to take the initiative in the formation of the new collective security system is Australia. At the same time, no matter what shape the system takes, active participation and a full role for Japan are indispensable for it to function effectively. The present situation requires that the U.S., Australia, and Japan set as a goal for themselves the establishment of this security system, and then turn to

3. See the joint communiqué issued by the 16th ASEAN Foreign Ministers Conference in June 1983.

4. House representative Paul Findley's statement before the Subcommittee on Asia and Pacific Affairs on March 24, 1982.

the task of actively working together to build it. But before discussing the role of Australia in the future and the initiative it should take, it would be useful first to review that country's current activities in the realm of collective security.

The first area of activity is that outlined under the terms of the five-nation defense agreement cited above. Based on this pact, Australia stations two squadrons of 36 Mirage III fighter-bombers in Malaysia, while New Zealand maintains a contingent of one thousand infantrymen and three UH-1 helicopters in Singapore for the defense of these two countries.⁵ It is also through this agreement that Australia maintains ties with NATO-member Great Britain. The second security-related area of activity is in the naval exercises conducted between Australia and Indonesia. The third area lies in the role of Australia and New Zealand in naval exercises with Japan in RIMPAC. Japan participated for the first time in the seventh "Rim of the Pacific" (RIMPAC) exercise held in March 1980, which had been hitherto conducted by the four Pacific nations of the U.S., Australia, New Zealand, and Canada. Japan also participated in the eighth RIMPAC exercise, making it officially a five-nation naval exercise. In these exercises, both Australia and New Zealand have engaged in close cooperation with NATO-member Canada. The fourth area is of course the ANZUS pact through which Australia and New Zealand maintain strong defense ties with the U.S. The final aspect of current activity on behalf of regional security is Australia's dispatch of naval vessels to the Indian Ocean to engage in joint operations with U.S., British, and French naval units on patrol there. This form of cooperation was begun after the Soviet invasion of Afghanistan.

As these activities illustrate, Australia already possesses collective security ties with the U.S., Great Britain, and Canada, all of which are NATO members. It is also evident that similar close ties exist with three of the five ASEAN nations despite the formidable historical, racial, and cultural differences. What is still somewhat less than clear is whether Australia is steadily moving towards cooperation with Japan in the collective security sphere. The time has come for Japan and Australia to jointly dispatch peace-keeping forces to Kampuchea and take the initiative in working out an agreement for the maintenance of peace in Indochina. Australia's Deputy Prime Minister Lionel Bowen proposed in May 1983 a joint Australia-Japan peace-keeping force for Kampuchea.⁶

If ASEAN were to emphasize cooperation in the mutual security sphere more clearly, as have the six Arabian peninsula nations of the

5. "Japan and ASEAN as seen through Data," *Sekai no Ugokisha*, April 1983.

6. *Japan Times*, May 16, 1983. What makes this impossible is the Japanese Constitution's Article Nine, which prohibits dispatching forces overseas.

Gulf Cooperation Council (GCC) that was established in May 1981, cooperation between ANZUS and ASEAN would not be at all unrealistic. Australia, through SEATO, was allied in the past with two nations of ASEAN, the Philippines and Thailand, with which it now has no such ties. In view of this historical relationship and the fact that the U.S. maintains alliances with Australia, Thailand, and the Philippines, the integration of ASEAN and ANZUS could become a reality with the proper leadership from the U.S.

U.S.-Japan-ROK Tripartite Alliance

For the creation of a true mutual security structure in the East Asia/Pacific region, there is one additional scenario that must proceed in parallel with the amalgamation of ASEAN and ANZUS centering on Australia. This of course is the forging of bonds of joint defense between Japan and South Korea in the Northwest Pacific and a redirection of efforts toward a tripartite collective security pact that would include the United States.

As the two Western alliance nations situated closest to the Soviet Union, Japan and South Korea cannot afford to waste any time in the construction of a joint defense system. Equally urgent is the need for the U.S. to join in this alliance. Already we have seen the massive buildup of Soviet forces in East Asia, the expansion of North Korea's war machine, and that nation's elaborate preparations for the invasion of the South. On the diplomatic side, the alliance between China and North Korea has been revived, the Soviet-Chinese confrontation shows signs of ending, and China's relations with the West are cooling. The bilateral relationship, based on a treaty of friendship, cooperation, and mutual assistance in existence between China and North Korea (effective September 1961), took on a chill as relations between China and the Soviet Union worsened in the 1970s. However, with the visits of Deng Xiaoping and Hu Yaobang to Pyongyang in April of 1982 and China's providing North Korea with 40 MiG-21 fighters on March 31 and April 1 right before their visit,⁷ it appears that relations have been restored to the same level as in the 1950s. At the same time, the Soviets have stationed troops and constructed military bases in Japan's northern islands, which they have held since the end of World War II, the number of SS-20 launchers in East Asia has multiplied, and the Soviet capacity for mounting amphibious assaults has been improved drastically. The use of U.S. bases in Japan is absolutely essential for the defense of South Korea. Likewise, U.S. bases in South Korea play an important role in Japan's defense. In effect,

7. *Asahi*, October 12, 1982.

South Korea is a virtual forward outpost for the defense of Japan, while Japan is a rear base for South Korea.

Because Japan and South Korea are the two Western-aligned East Asian nations in the greatest danger from communist aggression, their destinies are linked. Their vital interests are so nearly identical that, at least in terms of security, they deserve to be considered a single nation, somewhat like the northern and southern halves of West Germany. Japan and South Korea also have treaties with the U.S. and, theoretically at least, it is possible that their defenses could be merged, working through the United States. In addition, both the U.S. Fifth Air Force and Seventh Fleet have a command structure that treats South Korea and Japan as one region. For example, the Fifth Air Force is made up of one air division based at Japan's Kadena Air Base and one at South Korea's Osan Air Base. In fact, in 1982 Lt. General C. L. Donnelly urged Japan to accept U.S. plans to have two squadrons of F-16s based at South Korea's Kunsan Air Base participate in joint U.S.-Japan air exercises in Japan.⁸ The absence of an alliance between Japan and South Korea greatly hinders the U.S. capability for operations in East Asia. The formation of this alliance only requires the U.S. to take the initiative and Japan and South Korea to show the determination to realize the plan.

Largely because of the regrettable history of Japan's colonization of Korea,⁹ relations between the two countries have been marked by highly emotion-charged discord and friction. This appears to have given the U.S. reason to hesitate to push forward a plan for cooperation. In considering this history, however, we should not forget that the U.S. and Japan, which are now *de facto* allies, once engaged in a bitter four-year war. Likewise, the NATO powers, who today stand together to resist Warsaw Pact forces, were on different sides in World War II, and suffered at the hands of countries that are their present-day allies. It is time for both Japan and South Korea to take a more serious look at their mutual security and to cease to be bound by events that transpired in an era that ended nearly forty years ago. The U.S., for its part, should not dwell on the emotional issues separating the two countries. Rather, it must actively go about the task of putting the alliance together in the interest of regional peace and security. U.S. Naval Postgraduate School professor Edward A. Olsen also strongly asserted this point: "Frankly there never has been, is not now, and probably never will be any valid reason for the United States to keep its bilateral security relations with its Northeast Asian allies separate. . . . Interjecting an American buffer

8. *Asahi*, August 20, 1983.

9. The annexation of Korea lasted 35 years from 1910 to 1945.

only delays the day of reckoning when Tokyo must face up to its range of options vis-à-vis South Korea and when Seoul must decide how to respond to Tokyo's options."¹⁰

Promising signs in this regard were seen in January 1983 when Prime Minister Nakasone made the first state visit to South Korea by a ruling Japanese premier since the end of World War II. At this time, \$4 billion was agreed on as the sum for loans and other economic cooperation for South Korea, and Japan formally expressed its appreciation for South Korea's security efforts. The trip saw a rapid favorable turn in relations between the two countries. Other indications of positive movements in this area include a growing realization in Japan that, from the standpoint of national security, South Korea virtually holds the key to Japan's fate. For example, Article 8 of the Joint Communique between Japan and the U.S. of May 1981 stated that Japan would extend economic aid to South Korea from the standpoint of improving its mutual security: "In insuring peace and stability in the region (the Korean Peninsula) and the defense of Japan, they acknowledge the desirability of an appropriate division of roles between Japan and the United States." In response to a question raised in the Diet on February 9, 1980, Defense Agency Counsellor Atsuyuki Sasa stated that under Article 5 of the Defense Agency Law, joint exercises with South Korean forces would be legally possible.¹¹

In addition, there is clearly a pressing need for the air, sea, and land forces of both countries to hold joint military exercises. In February 1983, Undersecretary of Defense Fred C. Ikle also stated his desire to see joint naval exercises held between the U.S., South Korea, and Japan.¹² In particular, both countries should start preparing for joint operations to attempt to blockade Soviet vessels by controlling the Tsushima Straits. The basic elements to spur the formation of this vital alliance are already in existence. The key factor that the situation will turn on is Japan's resolution to embark on this course and its perception of South Korean forces and the U.S. forces in South Korea as "allies."¹³ It is my opinion that this tripartite alliance should have been established in 1978 in response to the signing of the Soviet's Treaty of Friendship and Cooperation with Vietnam and the building of military bases on the Soviet-held Japanese island off the coast of Hokkaido.

It is important that we never allow ourselves to forget the inestimable strategic value of Taiwan from the standpoint of SLOC defense in the

10. Edward A. Olsen's article "Northeast Asian Security: Sharing Responsibilities" appeared in *Chuo Koron*, February 1983.

11. *Asahi* (evening ed.), February 9, 1983.

12. *Japan Times*, February 5, 1983.

13. Olsen, "Northeast Asian Security."

Northwest Pacific. For this reason, it is desirable to have Taiwan participate in the tripartite alliance outlined here as one of the leading Western-aligned nations in the region in the future. In view of the West's current relations with China and the fact that the U.S. Mutual Defense Treaty (effective March 1955 to December 1980) with Taiwan was scrapped, however, perhaps more time will be needed.

Assuming that the tripartite alliance is formed and in time has its scope expanded from the Northwest Pacific to the entire West Pacific region, the enlarged role should begin with an amalgamation of Australia's and New Zealand's roles in the larger treaty framework. The step after that should of course be integration with ASEAN. Accordingly, there is a need to steadily reinforce ties between Japan in the Northwest Pacific, and Australia and New Zealand in the Southwest. In concrete terms, the JANZUS (Japan and ANZUS) structure proposed by William T. Tow¹⁴ provides useful suggestions for the shape of these ties. Likewise, the "Pacific Patrol Fleet" idea proposed by Congressman Paul Findley at a House Foreign Affairs Committee Meeting on October 31, 1979, is also worthy of attention. The creation of a "Pacific Patrol Fleet" made up of vessels of the U.S., Japan, Australia, New Zealand, and the five ASEAN nations would insure the security of the trade routes in the Indian Ocean and the Pacific region. Tow, in the article cited above, proposed the creation of a similar "ANZUS-ASEAN-Japanese Consortium" to defend the SLOC in the Mideast, Malacca Straits, and Pacific Ocean. Perhaps the first step taken in this effort was Japan's participation in RIMPAC activities in March 1980.

Japan's Integration with NATO

As related above, along with the establishment of a regional collective security structure in East Asia and the Pacific, there is a need to integrate the region's Western-aligned nations with NATO.¹⁵ It is clear that since the Soviet invasion of Afghanistan, the U.S. government has been thinking along similar lines. For example, Defense Secretary Brown's Report for FY 1981 stated in part, "I have urged Japanese leaders to expand these programs and recognize that the combined planning efforts of the United States, Western Europe and Japan will be needed to counter-balance the global Soviet military build-up."¹⁶ Likewise, in late 1980 a leading U.S. official made the following declaration: "Our fundamental

14. William T. Tow, "The JANZUS Option: A Key to Asian/Pacific Security," *Asian Survey*, December 1978.

15. The U.S. House Subcommittee on Asia and Pacific Affairs proposed the creation of a Common Defense Fund by the U.S., NATO, and Japan on May 27, 1980.

16. Defense Secretary Brown's Report for FY 1981, January 1980, p. 51.

challenge during the 1980's will be to consolidate and integrate our major alliances with NATO, with Japan, with ANZUS. . . . Over the next several years we shall be facing a historic opportunity to draw Tokyo into an increasingly active partnership with the United States and Western Europe."¹⁷

There have already been efforts to make Japan an associate member of NATO. One such attempt is seen in the utilization of the economic summits of the developed nations in which Japan participates. Also, Japan has been encouraged to participate in NATO activities. Japan has also been dispatching Diet members to the NATO Assembly as official observers since November 1980, and the Council for Japan-U.S.-Europe Comprehensive Security was established in the Diet in the summer of 1982.

Except for Japan, the other six summit nations are all NATO members, although France seceded from its military branches. Accordingly, these conclaves can become an organ for cooperation on defense between the NATO countries and Japan. It is for this reason that so many proposals for the integration of Japan with NATO call for the active use of these economic summits. Some of them are the following:

1. "The Policy Paper" of the U.S. Atlantic Council proposed in December 1980 the use of the seven-nation economic summit as a vehicle for the study of security problems.
2. Special Adviser to the President Brezinski proposed the transformation of the economic summits into "strategic summits" on January 14, 1981.
3. The Four-Nation Strategic Research Institutes' Joint Report "Western Security" proposed in February 1981 the use of economic summits as security summits and called for active Japanese participation as one of the five major countries in the Mideast Security Cooperation.

The Ottawa Summit of July 1981 represented a first step toward this goal as the talks went beyond the "economic summit" framework, and for the first time dealt with the subject of the security of the West. The "Chairman's Summary of Political Issues" from this summit reads: "In East-West relations, we are seriously concerned about the continuing buildup of Soviet military power. We ourselves, therefore, need a strong defense capability." The May 1983 Williamsburg Summit went even further with discussions of the intermediate-range nuclear force (INF) problem and a historic declaration that the security of NATO and Japan

17. Speech by Assistant Secretary of State Holbrooke at the Japan Society on November 21, 1980. (See "American Policy Series 24," U.S. Embassy, Tokyo.)

are inseparable. "A Statement on Nuclear Disarmament" from this summit reads: "The Security of our countries is indivisible and must be approached on a global basis." This shift in emphasis has prompted some observers to refer to these seven-nation meetings as "security summits" or even "strategic summits." As an economic superpower, Japan must resolve to actively take the initiative in constructing a collective security system in East Asia and the Pacific and proceed to further reinforce its cooperation with NATO.

Revising Article Nine of the Japanese Constitution and the U.S.-Japan Security Treaty

Before accepting its new roles in the defense of the region, and as a member of the global Western alliance, Japan must rid itself of two major obstacles. One is Article Nine of the Japanese Constitution,¹⁸ and the other the restrictions on the U.S.-Japan Security Treaty resulting from this article. Article Nine is interpreted as forbidding all activities for collective security outside Japan's own territory. As long as this article remains unamended,¹⁹ it will be impossible to forge a tripartite alliance with the U.S. and South Korea. Likewise, even if WEPTO were established, Japan would not be able to participate in it. Japanese participation in NATO and the transformation of economic summits to strategic summits are also doomed by this article. In the event of the deployment of the U.S. Rapid Deployment Force (RDF) in the Middle East, Japan would not even be able to cooperate in ferrying troops or material. Japan also cannot join with Australia in sending peacekeeping forces to Kampuchea. For the security of the free world and the maintenance of peace

18. Since the enactment of Japan's current constitution in 1947, not a single word in it has been amended, an extremely rare situation for a major nation. Since World War II, Sweden has amended its constitution once every nine months, while West Germany has done the same thing once every 13 months. On an average, Western democracies make such revisions once every 28 months, but many Japanese still believe that all constitutional changes are taboo.

19. There does not appear to be any opposition to amendment of Article Nine from the ASEAN countries, and all five are positive about Japanese exports of weapons. (See "How Does Southeast Asia View Japan's Constitutional Debate?," *Shokun*, December 1981.) However, the ASEAN countries are split on the strengthening of Japan's defenses. While an improved defense capability has won the all-out support of Singapore, Thailand, and Malaysia, the Philippines and Indonesia only signaled their approval of this move. This was made clear during Prime Minister Nakasone's visit to these countries in May 1983. It should be noted that none of the countries actually opposed these plans. What is still unclear is ASEAN's position on Japan's taking a role in the defense of the SLOC in the Indian Ocean and the Strait of Malacca.

in the region, it is time for Japan to resolve to amend Article Nine as soon as possible.

In addition, because of the existence of Article Nine, it is not possible for the U.S. and Japan to carry out smooth joint operations²⁰ for the defense of "the thousand-nautical-mile air and sea defense zone" and full control over the three Japanese straits. This article strictly limits the scope of U.S.-Japan defense activities to Japan's territorial waters. It does not extend to the open seas or to the naval vessels or territorial waters of aggressor nations. This is an unprecedented condition for inclusion in a collective security pact. For example, under the present U.S. security treaties with South Korea and the Philippines, the area covered is the entire Pacific, and the Manila treaty actually specifies all of the Southwest Pacific below 21.5° north latitude. Both the U.S. and Japan must move rapidly to amend this provision, which clearly is no longer adequate for the times, and expand the area covered to the "entire Pacific."²¹ This amendment is an indispensable precondition to the integration of the U.S. alliances with South Korea and Japan as well as to Japan's role as a key member nation in the collective security structure of Western-aligned nations in East Asia and the Pacific.

There is an additional reason why the U.S.-Japan Security Treaty must be amended. Under the current agreement, the U.S. is cast in the role of Japan's "protector," while Japan, as the protected nation, is not obliged to defend even U.S. ships on the high seas surrounding Japan. In view of the one-sided U.S. obligation to ensure Japan's security, the treaty is extremely unfair and unreciprocal. Should this distorted bilateral relationship be continued, no matter how much the U.S. aims to develop "an active defense partnership with Japan,"²² this goal will never be realized. The U.S.-Japan Security Treaty goes against the basic policy of the U.S. in regard to its Western alliance in the 1980s. This policy is "a coalition strategy based on a proper division of labor between the U.S. and its allies."²³

20. The Japanese government officially declared on March 14, 1983, that the spheres and forms of operations for joint defense activities by Self-Defense Forces and U.S. forces are strictly limited. Also, on February 20, 1983, in response to a question about a U.S. request for it to control Japan's straits in the event of a Middle East conflict in which Japan was not attacked by the Soviets, Minister of State for Defense Tanikawa replied he would not permit a U.S. blockade of those waterways. Vice-Minister for Defense Natsume said Japan would have to refuse such a request, and Prime Minister Nakasone added that "in principle" he would also refuse, unless Japanese commercial vessels had actually been attacked by warships of an unknown nation.

21. The writer proposed a draft amendment of the present U.S.-Japan Security Treaty in the monthly magazine *Shokun*, April 1981.

22. Defense Secretary C. Weinberger's Report for FY 1982, January 1981, p. 98.

23. *Ibid.*, p. vi.

In addition, it is clear that the existing treaty's unequal provisions contradict the U.S.'s new policy of strongly emphasizing Japan in the West Pacific region rather than China, a view that has clearly surfaced since early 1983.²⁴ From the standpoint of prospects for success, it would probably be more effective for the U.S. to make the first proposal for revision to the Japanese government.²⁵ And a prominent nongovernment group in Japan has already proposed amending the treaty.²⁶

Conclusion

The realities of expanded Soviet war-making potential and military adventurism have made the 1980s a decade of crises for all mankind. At a time like this, it is extremely dangerous for nations who love peace and freedom to hesitate to show their solidarity. Japan must realize that it will not be permitted to avoid its various responsibilities as a member of the Western camp and as a nation obliged to carry out its own defense tasks.

At the same time, the U.S. must free itself of the slanted view that Japan is a "special" nation if it seeks to remain a vital Pacific power. Fully perceiving these realities, the U.S. and Japan ought to move with confidence toward making a contribution to the reorganization of the collective security apparatus in East Asia and the Pacific without any further vacillation. In the upgrading of the ASEAN security cooperation structure, the linkage of ANZUS and ASEAN, the integration of Japan with ANZUS, the establishment of an alliance between the U.S., Japan, and Korea, associate membership for Japan in NATO, and the establishment of a structure like WEPTO, the U.S. and Japan with assistance from Australia will be called on to pool their reserves of courage, wisdom, and resourcefulness. This will assure the peace and security of East Asia and the Pacific and contribute significantly to the establishment of a global Western alliance structure to keep mankind from becoming embroiled in a third world war.

24. The following article is instructive in this regard: "A Tilt Towards Tokyo," *Far Eastern Economic Review*, April 21, 1983.

25. The following is an excellent analysis of the debate on this issue: Stephen P. Gibert, "A Reagan *Shokku* for Japan?," *International Security Review*, Winter 1981-82.

26. The Committee for Establishing a Full Alliance between Japan and the United States, composed of about two hundred Dietmen, retired generals, admirals, and defense intellectuals, made a strong call for this amendment on March 15, 1982.

CREATING A NATIONAL CINEMA

The South Korean Experience

Thomas Doherty

Like the history of modern Korea itself, the history of the Korean film industry is alternately tragic and inspirational. As a twentieth-century art form, filmmaking in Korea did not enjoy the relative isolation that allowed other indigenous arts—painting, sculpture, and literature—to arrive at a distinctively Korean mode of expression. The development of the national cinema is concurrent with two decisive events in modern Korean history: the thirty-five-year occupation by the Japanese and the civil war that tore the country apart soon afterwards. The unimaginable cultural disruptions of the former and the wholesale devastations of the latter made the creation of a purely Korean cinematic tradition a difficult, not to say dangerous, enterprise.

Nevertheless, even under the rigid strictures of the Japanese military occupation, and despite the adversities of wartime, a protean film industry managed to assert itself. Though Korean-made films were screened as early as 1919, historians of the Korean motion picture industry generally consider the work of actor-director Na Woon Kyu as the true beginning of the Korean cinema. Na's pioneering work in silent cinema set the standard for the eighty or so films produced during the so-called golden age of Korean film from 1926 to 1934. Typical of the nationalistic themes dramatized on screen during this time was the director's famous historical drama, *Arirang* (1926). Based on a popular folk song that—according to legend—was first sung by a condemned man on the eve of his execution, *Arirang* became in Na's hands a patriotic tale of local resistance to foreign invaders. The implicit attack on the Japanese imperialists was not lost on Na's Korean viewers. The Japanese authorities for their part were surprisingly slow to catch on to the political import of such movies.

Thomas Doherty is a Ph.D. candidate in the American Studies Program, University of Iowa, Iowa City.

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Throughout the next decade, Korean motion picture companies proliferated and the local industry thrived, often in concert with Japanese coproduction companies.¹ Lee Myong U's *Chunhyangjon* (1934), the first locally produced "talkie," is an obvious technical landmark. Like *Arirang*, *Chunhyangjon* reworked folk source material for subtly nationalistic purposes: The famous Lee Dynasty tale of the unrequited love of a poor maiden for a rich nobleman becomes a plea for independence and justice. But even as Korean filmmakers were successfully meeting the new technical challenge of sound production, the Second World War erupted. The Japanese confiscated production facilities, ending both the technical advances and the mitigated freedom under which the Korean studios had operated. Functioning under their direct supervision, filmmaking in Korea became a propaganda tool for the invaders.²

Domestic filmmakers were just recovering from the equipment shortages and disruptions of the Second World War when the outbreak of the Korean War crushed the emerging industry. Communist troops returned to the North with production equipment and rare film prints, taking special care during their retreat to recruit or eliminate those individuals with technical or theatrical expertise. An entire generation of future South Korean filmmakers was virtually wiped out.³

Beginning in 1955 and continuing to the present, various South Korean administrations have adopted measures to encourage the domestic industry. The relationship between the government and the motion picture industry, more than any demands the audience or filmmaker might make, thus determines the nature of modern South Korean cinema. Like much else in the Republic, it is under strict government control. As early as 1955, the government granted economic incentives to the domestic industry, but it was not until 1962 that a comprehensive, all-embracing law was passed for the purpose of promoting motion pictures as "a national art."⁴ The Motion Picture Law of 1962 set new

1. Joseph I. Anderson and Donald Richie, *The Japanese Film: Art and Industry* (Tokyo: Charles E. Tuttle Company, 1969), pp. 149–151.

2. *Korean Cinema*, a yearly publication of the Motion Picture Promotion Corporation, and *Korean Annual* provide most of the English-language information on early Korean film. The majority of early prints have not survived, though the library at the MPCC has still shots and screenplays of some of these lost films.

3. Descriptions of North Korean depredations can be found in any legitimate account of the Korean War. Kim Chun Kon's *The Korean War* (Seoul: Kwanguyang Publishing Company, Ltd., 1980), pp. 274–276, and John W. Riley and Wilbur Schramon's *The Reds Take a City: The Communist Occupation of Seoul* (New Brunswick, N.J.: Rutgers University Press, 1951), pp. 118–119, discuss the special attention paid to artists.

4. *Korea Cinema '81* (Motion Picture Promotion Corporation, Republic of Korea, 1981), p. 104.

standards for motion picture production companies, regulating their finances and proscribing production facilities. Perhaps most important, the law linked the awarding of prized import licenses for foreign films to the production of local films. These import licenses are especially sought after because a popular foreign film can pay off losses incurred by local productions, which historically have been less lucrative than Hollywood fare.

The importation of foreign films remains the most sensitive economic and cultural issue that the government regulates regarding the motion picture industry. For a time, a production company had to produce three domestic films for every one foreign film it imported. Predictably, given the popularity of foreign films over domestic ones, production companies would churn out cheap and careless domestic films simply to gain as many import licenses as possible before the overall import quota was reached.⁵ A recent government directive now specifies that the import licenses be awarded to production companies that "produce good quality domestic films."⁶ Because of these and other energetic efforts by the government, the available pool of competent South Korean filmmakers has increased markedly. If in the 1950s the average South Korean filmmaker had been trained with U.N. help or had seen service in the United States Information Service, today he or she is more likely to have graduated from one of the half dozen universities in Korea that offer training and advanced degrees in motion picture production. Since the early 1960s, Korean universities have actually been engaged in commercial production of regular features. According to film historian Richard Dyer MacCann, who visited South Korea in 1963 as a filmwriting advisor for the U.S. State Department cultural exchange program, Hanyang University's College of Drama and Motion Pictures had at the time "the world's only theatrical motion picture production company owned and operated by a private university."⁷ At present, there are twenty licensed production companies that produce local films and import foreign ones.

Certainly, at least in terms of motion picture quantity, the government policies have borne fruit. During the late 1960s, the number of locally produced feature films reached a peak with over 200 films per year at domestic theatres. Since 1971, however, there has been a decline in feature film production, and 1980 saw only 91 new feature films on the local market. The reasons for the precipitous decline are inflation and

5. *Korean Annual 1975* (Seoul: Hapdong News Agency, 1975), p. 205.

6. *Korea Cinema '81*, p. 104.

7. Richard Dyer MacCann, "Films and Film Training in the Republic of Korea," *The Journal of the University Film Association*, 1:1, 1964, p. 4.

television. When the economic successes of the Park regime raised wages and increased the standard of living, filmmakers not only found production costs skyrocketing but discovered their monopoly on visual entertainment ended as more and more of their audience stayed home and watched newly acquired televisions. Although reliable figures are difficult to come by, statistics issued by the Motion Picture Corporation of Korea indicate that attendance plummeted from a high of 173,043,272 paid admissions in 1969 to 54,571,679 in 1980.⁸

Foreign films continue to outdraw domestic films by at least two to one, and this fact, as much as inflation and television, frustrates the local industry. Like their compatriots throughout Asia, Korean filmmakers confront competition from Hollywood and European products whose budgets and technical expertise they cannot hope to match. An "A" production Korean film can cost little more than \$200,000 and still be profitable; the average Hollywood "A" production today costs perhaps six to eight million dollars. Particularly during the past decade, as special effects have come to play such a pivotal role in luring audiences away from television, the South Korean motion picture industry has operated at a disadvantage both domestically and internationally. The dominance of foreign film fare and the Korean audience's attraction to big-budget spectacle is borne out by 1981's box office champions: *Moonraker*, *Ben-Hur*, and *Dr. Zhivago*.⁹ Indeed, the colorful theatrical billboards in Seoul's downtown area more often than not showcase other countries' films: the United States (*The Blues Brothers*, *Body Heat*), England (*Lady Chatterley's Lover*), France (*Borsalino*), and Germany (*Das Boot*).¹⁰

But if competition from television and comparison with the slick products of Hollywood are problems common to every emerging national cinema, South Korean filmmakers face an added pressure: government censorship. The Motion Picture Law of 1962 first established criteria for film censorship, and the most important revision of the law came in 1979 with the creation of the Korean Ethics Committee of Public Performance. The Committee currently consists of thirteen

8. The figures from the Motion Picture Promotion Corporation conflict with those from *Korean Annual*, which in turn conflict with Richard Gertner, ed., *Motion Picture Almanac*, Vol. 54 (New York: Quigley Publishing Company, 1983.)

9. *Korea Annual 1982* (Seoul: Hapdong News Agency, 1982), pp. 229-231.

10. South Korean television faces similar problems. American television shows like *Combat* and *Columbo*, dubbed into Korean, regularly outdraw domestically produced programs. In addition, the American military's Armed Forces Korean Network (AFKN) broadcasts American television shows in English. Koreans who live adjacent to U.S. Army installations can pick up the signals and tune into the major American networks' programming—and thus deny Korean advertisers a portion of the domestic audience.

members named by the Minister of Culture and Information, and this group conducts the censorship of foreign and domestic films alike. This censorship is both political and sexual, with the former being far more strict than the latter. Criticizing the national government is forbidden and any sympathetic portrayal of a communist political system, especially the one to the immediate north, is of course impossible. Given the realities of life on the peninsula, these restrictions are hardly surprising. When filmmakers do address political themes, their criticisms have to be stated obliquely: for example, an unflattering portrayal of a corrupt government official or an insensitive bureaucrat. But always it is the individual and not the system that is at fault.

The explicit handling of sexual themes and the depiction of nudity on screen has been prohibited for most of the three decades the South Korean cinema has been in existence. However, with television absorbing so much of the potential audience and the relaxation of traditionalist standards, the directness with which domestic filmmakers are allowed to depict sexual activities has broadened noticeably of late. Although still very tame by Western standards, the promise of licentiousness and nudity is a key advertising strategy and, for the first time ever, South Korean filmmakers are delivering on this score. The growing sophistication of the audience, coupled with plunging theatrical revenues, may accelerate this process, though reactionary responses are always looming. In fact, the Ethics Committee has recently let it be known that anything approaching Western-style pornography would not be tolerated.¹¹

In 1981, a new kind of censorship made itself felt, this one non-governmental in origin. *The Girl Who Came to the City* (1981) created a city-wide sensation because of its frank treatment of the life of a Seoul bus girl who is degraded and driven to suicide by her cruel supervisors. The film passed the standards set by the Ethics Committee, but it was so vigorously protested by the Korean Automobile and Transport Workers Federation that it was hastily withdrawn from distribution after an eight-day run in downtown Seoul. Only after revision by the Ministry of Information and Culture was the film re-released.

Like the Hollywood directors who worked successfully under the Production Code Authority, South Korean filmmakers know the permissible limits in matters both moral and political. Foreign films present a more difficult censorship problem and are therefore carefully examined before being put into domestic circulation. Again, the political considerations are more rigorously attended to than the erotic ones. For example, *Enter the Dragon* (1973), the internationally popular Bruce Lee kung

11. *Korea Herald*, March 4, 1982, p. 6.

fu film, played in South Korea with most of the violence and sex intact; however, a scene in which an American kung fu expert beats up two policeman was deleted, presumably so as not to validate on screen any challenges to state authority. In general, the latitude allowed foreign films in sexual matters is greater than that permitted domestic films: Perhaps the attitude of the censors is that the West is beyond redemption anyway. Still, it is unusual for a foreign film to play in a South Korean theatre without some violence being done to the original print either by the government, the distributor, or the local exhibitor who wishes to fit a running time more neatly into his screening schedule.

The differing standards applied to foreign films is only one expression of the main aesthetic problem confronting the South Korean motion picture industry: the tension between domestic films influenced by Hollywood trends and techniques and those that look to distinctively Korean sources for their inspiration. Despite the vigorous efforts of the government, Hollywood films remain hotter tickets than domestic productions. The South Korean film industry acknowledges as much in its relentless imitation of foreign trends and genres. Domestic films that seek to attract a modern audience look to the U.S.—and, more recently, Hong Kong—for direction. The resulting blend of Hollywood narratives and Korean attitude and locale creates an interesting, if sometimes schizophrenic, result. The dozens of horror and “splatter” films so lucrative for Hollywood in the late 1970s were quickly realigned for South Korean consumption, to take but one example. Such self-explanatory titles as *Strange Dead Bodies* (1981), *The Valley of Ghosts* (1981), and *The Vengeful Vampire Girls* (1981) have appeared on theatre marquees throughout the country.

The popular Hollywood film genres and their Korean counterparts crossbreed with amazing ease. Westerns, private eye films, spy adventures, historical costume drama, and the pop musical have all been adopted and put into an indigenous setting. For most of the past thirty years, far and away the most popular domestic film genre has been the familial melodrama aimed primarily at a female audience. About half the films produced in South Korea in any one year fit this pattern. “Han,” the untranslatable mixture of obligation and resentment that is part of the interfamilial relationships of so many South Koreans, provides the narrative drive for these films. Suffering daughters-in-law, philandering husbands, sacrificing mothers, and separated lovers abound, all treated in a lachrymose manner and generally ending tragically. Though these so-called women’s weepies have thrived since the 1950s, it appears that television soap operas are now co-opting much of the potential audience. Further, as a new generation comes of age—a generation without

memories of the real-life familial tragedies of the Korean War—there will be less profitability in these films because in South Korea, as elsewhere, the audience for movies is predominantly young. Korean university students are especially contemptuous of the domestic melodramas, calling them “tear gas” movies whose purpose, like the spray that sometimes floats over their campuses, is only to cause tears.

Clearly, the creation of a distinctively South Korean cinema is more than a matter of language, locale, and the endless recapitulation of traditional folk tales. If South Korean filmmakers often seem ridiculous in their over-eager appropriation of Hollywood models, it should be remembered that they have little cinematic tradition of their own on which to build. The two wars stunted the development of the domestic industry, and also wiped out memories of the silent and early sound era of the 1920s and 1930s as film prints were lost or destroyed. For postwar filmmakers, the separation of the country into a capitalistic, pro-Western South and a communist North required that they address an audience that was not simply Korean but *South* Korean. Defining their “South Korean-ness” has been the crucial cultural and political question facing those south of the thirty-eighth parallel. The moviemakers who address this question—who attempt to create a national cinema in opposition to foreign models—may be described as either “traditionalist” or “modernist.”

“Traditionalist” South Korean cinema exists in an imaginative landscape that draws on the shared history and values of the Korean people before the partition. Whether the genre is historical or melodramatic, these films are nostalgic in flavor; both their cinematic style and their morality are conservative and backward-looking. A costume drama like *The Great King Seijong* (1982) is representative: This patriotic, if occasionally inaccurate, rendering of the life of one of Korea’s intellectual founders is so remote in time and sensibility that it could probably be screened in the North without offending that Korean group. Austere, slow-moving, and resembling nothing so much as a filmed play, *The Great King Seijong* functions primarily as an extended history lesson for Korean junior high school students who are required to attend screenings by their teachers. Not all historical dramas are necessarily traditionalistic and irrelevant to contemporary South Korean concerns, however. *Invited People* (1981), for example, depicts the story of religious martyrs in eighteenth-century Korea. An obvious response to the wave of Christian revivalism sweeping the country, *Invited People* offers an interpretation of the Korean past that doesn’t shrink from graphic portrayals of Confucian brutalities. This kind of vivid re-visioning is far more

the exception than the rule, though, since in the majority of historical films, the past serves simply as a happy refuge.

By contrast, "modernist" South Korean films speak to the realities of an acquisitive, changing society at polemical odds with its opposite version in the North. The emphasis is on *South* Korea and not an idealized version of the past. It is this group of films that most properly fulfills the definition of a national cinema. Whether the films are chauvinistic or cautiously critical, they at least examine aspects of contemporary South Korean life that have immediate importance to the audience's experience.

The frankly chauvinistic films celebrate the progress and proclaim the advantages of life in the Republic. Their thematic thrust is solidly supportive of the status quo, although the narrative itself may be a cautionary tale warning against moral or political failings. In these films, the cultural life of the South is threatened by outside forces like communism or Western-style moral corruption. Whether the protagonist succumbs to such evils or overcomes them is of less concern than the inexorable consequences of incorrect actions: disgrace or death, usually both. The most popular domestic film of 1981, *The Free Woman* (1981), tells the story of a couple who take advantage of South Korea's free market opportunities and make their fortune, only to be ultimately destroyed by the wife who (in the words of one film critic) "is ruined by a deviant liberal trend."¹² The "deviant liberal trend" is an extra-marital affair that leads, inevitably, to divorce and the wife's suicide. Instructional movies aimed at the young similarly preach moral rectitude: *Mop Up of the Drug Team* (1981) is a *Reefer Madness*-like warning about the evils of marijuana in which a special police unit enlists the help of teenagers to foil an international drug conspiracy. Again, the threat to the social order comes from dangerous "outside influences."

Naturally, anticommunism figures prominently in the chauvinist film. Propaganda against North Korea is effortlessly welded to Hollywood-influenced mysteries and action-adventure movies. Even historical dramas set in the remote past tend to color the villains with communist shades: *The Brave Woman Fighter* (1981), a martial arts film set during the Koryo Dynasty, features a hissable bad guy very much in the North Korean mold. As simplistic and transparent as this propaganda usually is, it is nonetheless a genuine response to national conditions—and one of the few qualities that indelibly mark a film as South Korean. Theatrical screenings serve the government's ideological purposes in another way as well: Anticommunist newsreels often precede the featured attractions.

12. *Korea Cinema '81*, p. 10.

The other type of modernist film rejects national chauvinism in a delicate attempt to examine and comment on the problems and pressures of modern South Korean life. Despite government censorship and the increasing youthfulness of the audience, a tradition of critical realism seems to be asserting itself in South Korean cinema. Characteristically, these films offer a critique of contemporary life that is more societal than political, addressing such problems as prostitution, bureaucratic corruption, and the plight of those displaced or confused by Westernization. Reworkings of the past like *Invited People* are also part of this emerging movement. Lately, two films have been especially noteworthy: Kim Soo Young's *A Girl Who Came to the City* (1981) and Lee Chang Ho's *People in Darkness* (1981).

Kim's controversial *Girl* immediately sets itself apart from most South Korean films by presenting a realistic urban locale with recognizable settings and situations. Though the plot-line is well-worn (an innocent country girl coming to the big city,) the filmmaker's treatment avoids the maudlin romanticism that mars so many Korean melodramas. The young heroine becomes a bus conductor in the congested capital city, one of the most difficult and lowest-paid jobs in the society. The film has none of the hoopla of an exposé, but it does matter-of-factly depict incompetent bus drivers, dishonest bus girls pocketing fares, and corrupt transportation officials in its insider's view of the Seoul public transportation system. If not entirely free of melodramatic excesses, *Girl* is for the most part restrained and convincing as it follows three bus girls through their various triumphs and trials. As was mentioned above, the movie's most explosive scene—a strip search by bus company officials that drives a girl to suicide—was revised after protests from the Korean Automobile and Transport Workers Union. In the revised version, the search scene is less explicit, the “suicide” is unsuccessful, and a new, happy ending has been tacked on. Such postproduction meddling is especially unfortunate in director Kim's case because he is obviously a filmmaker of special talent, showing himself highly resourceful in the use of montage of exposition and in coaxing finely tuned performances from his ensemble of young actresses. His experience illustrates the pressures a filmmaker is under when he attempts to bring a challenging project to completion within the industry as it is currently arranged.

People in Darkness is similar to *Girl* in that it realistically enacts an insider's view of an urban South Korean institution, though in this instance the institution is prostitution. As in *Girl*, the acting ensemble is female and their camaraderie is a pointed contrast to the cruelties and exploitations of the male world. The heroine is a country girl who comes to the city and undergoes a series of misfortunes that logically culminates

in life on the street. Politically, the most striking thing about *People* is the total absence of benevolent state authority. Country girls are lured into prostitution and beaten into submission by sadistic pimps who operate without police interference. The police take action only to arrest a girl driven mad by the singing heard from a church adjacent to the whorehouse. Director Lee's juxtaposition of these two presumably incompatible institutions existing side by side is a powerful social comment: It sometimes seems as if the two major growth industries in modern South Korea are fleshpots and Christian churches. The prostitutes in *People* ply their trade as hymns from the nearby church drift over their house. Director Lee and screenwriter Hwang Sok Yong seem to be commenting less on the hypocrisy of the latter institution than on the inability of society to reconcile its twin impulses.

The realism of films like *A Girl Who Came to the City* and *People in Darkness* is still, unfortunately, exceptional. Probably the most popular theme for directors who want to address current problems is the transition of South Korea from an agricultural, rural society steeped in the Confucian ethic to an industrial, urban society embracing Western values. This conflict between old and new remains the staple of movie melodrama. Chung Jin Woo's *Parrot Sang with Her Own Body* (1981) is typical in its sentimental oppositions. On the surface merely another story of doomed lovers, *Parrot* is actually a treatise on the moral superiority of country over city. Two young lovers play out their affair in an Edenic landscape complete with waterfall and fresh grapes. This bucolic ideal is interrupted by a bar girl from the city. The plot is too convoluted to reiterate in detail, but throughout *Parrot* the seeds of destruction are sown by modernity: the train that speeds by the sleepy farmhouse, the whore from Seoul who seduces the young boy, and the jealous pimp who pursues her into the country. Not incidentally, this film was forthrightly targeted at the juvenile audience and is, in fact, a South Korean "remake" of the popular American "teenpic," *The Blue Lagoon* (1979).

Casting a somewhat wider demographic net is the hugely successful *Lovemaking Woman* (1982), a box office smash that follows the frustrations, sexual and otherwise, of a modern housewife neglected by her male supremacist husband. When her spouse lands himself in jail, the wife embarks on a series of vividly rendered fantasies and at least two affairs, one idealized and one sordid. *Lovemaking Woman* is like many presumably modernist films in that little effort is made to create a convincing filmic milieu.

These are careless films: There is a consistent inattention to movie-making basics like continuity and lighting. They lack a commitment to any kind of recognizable world, existing in a kind of never-never land

that both filmmaker and audience realize is superficial. Fantasies like *Parrot* and *Lovemaking Woman* can attribute much of their success to the new freedom to display generous portions of female flesh and their aggressive, exploitative advertising campaigns.

Though there has been a ready domestic market for sexually explicit melodramas, the South Korean film industry has as yet failed to develop any appreciable export business. The vogue for martial arts films that swept the world in the mid-1970s was looked upon by the Motion Picture Production Corporation as a possible opening into the overseas market, but the Korean version of the martial arts film—the taekwondo movie—failed to challenge the more stylish competition from Hong Kong. Thus, although the industry claims to export forty films per year, the market is primarily made up of Korean communities overseas, especially the tight-knit groups in Hawaii, Los Angeles, and New York. No Korean film has yet established for itself an international reputation, and it is rare for a South Korean film to be screened at even the most esoteric film programs at universities or museums. Occasionally, a Korean film will be entered at one of the major European film festivals and receive a minor award: *Pee Mak* (1981), adapted from an shamanistic folk tale, took a small prize at the Venice International Film Festival, and *Two Monks* (1981) participated in the Berlin International Film Festival. In the United States, Asian societies in the larger cities sometimes devote an evening to Korean film: the Asia Society of New York, for example, screened *Two Monks*, generally judged the best South Korean film of 1981, to a mildly appreciative response from the local press. The Film Distribution Center at the University of Southern California has a small collection of South Korean films available for rental, including the only extant print of *Two Monks* in the United States. Outside of South Korea, though, a taste for Korean cinema is, to say the least, uncommon.

The lack of international appreciation and the contempt in which the national cinema is often held by South Korean intellectuals might indicate that South Korean filmmakers have yet to find a distinctive national voice. The lack of a clear cinematic tradition to build upon, the cultural confusions and disruptions caused by the division of the country, and the government-enforced censorship have mitigated against the development of expressive, high-quality films. Government control has created an efficient moviemaking system in terms of quantity only; the administration has been unable, however, to regulate and produce quality motion pictures. Though it would be unreasonable to expect the national government to untie all strings to the film industry, it seems apparent that it should remove some of the barriers that restrict domestic filmmakers. The extreme centralization that characterizes the industry

has produced an assembly-line cinema that has not been especially profitable either artistically or financially. As it enters its fourth decade, the South Korean motion picture industry might function more fruitfully without the intense government involvement in virtually every aspect of film production.

JAPAN'S NONNUCLEAR POLICY

_____ Tsuneo Akaha

One of the most explicit expressions of the Japanese government's commitment to a nuclear-free Japan has been its "three nonnuclear principles" of not possessing, not manufacturing, and not introducing nuclear weapons into Japan.¹ The policy was originally stated by former Prime Minister Eisaku Sato on December 11, 1967, during Diet deliberations on the bill to approve the Japan-U.S. agreement on the reversion of Okinawa to Japanese jurisdiction.

Given the military as well as political implications of such an apparently sweeping policy, one might assume that the principles had been adopted after careful evaluation of their implications for the country's defense needs, objectives, and capabilities in the context of domestic and international developments. One would certainly expect that the Japanese government had consulted closely with the United States, because the security treaty with the U.S. has been the cornerstone of Japan's defense policy since 1952.

Such assumptions and expectations must be qualified. Origins of the policy could be traced back to the mid-1950s when Prime Minister Ichiro Hatoyama rejected nuclear warheads for Honest John missiles and when, perhaps because of the pervasive and virtually unquestioned feeling at the time that Japan should be kept nuclear free, public debate on the issue was quite limited. Even in the 1967-68 period, when the government articulated the three nonnuclear principles, the principles themselves were readily accepted with less scrutiny than might have been warranted in retrospect. Both the ruling Liberal Democratic Party and the opposition parties supported the three principles less on their own merit—that is, as a policy whose long-term security implications were

_____ Tsuneo Akaha is Assistant Professor, Department of Political Science, Bowling Green State University, Bowling Green, Ohio.

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1. An English translation of the defense White Paper of 1982 states, "Japan holds fast to the Three Nonnuclear Principles of 'not possessing, not manufacturing and not introducing nuclear weapons into Japan.'" *Defense of Japan*, 1982 (Tokyo: The Japan Times, Ltd., 1982), p. 71.

explicitly delineated—than as part of the overall political framework regarding the return of Okinawa.² In other words, the importance of the three principles as a security policy was overshadowed by the immediate need to ratify the U.S.-Japanese agreement on Okinawa. As a result, only a very limited open discussion took place among the political parties, the government bureaucracy, and the business-industrial community—the three key components of the Japanese political system. Nor were the details of U.S.-Japanese consultation regarding the nuclear issue subjected to a critical public scrutiny.

Once introduced, however, the nonnuclear principles quickly gathered support among the public and the private sector and have become one of the four components of Japan's nuclear policy, the others being utilization of atomic energy exclusively for peaceful purposes, promotion of nuclear disarmament, and reliance on the U.S. nuclear umbrella.³ Proponents of the three nonnuclear principles—hereafter interchangeably referred to as the nonnuclear policy—often refer to the policy as *kokuze*, the nation's irrevocable policy, from which even the slightest hint of deviation or departure would be and has been seriously criticized and challenged. Domestically, on November 24, 1971, when the parliament finally voted on the reversion of Okinawa, the House of Representatives adopted a Resolution on Nonnuclearism and the Reduction of American Bases in Okinawa that inter alia expressed the legislators' support for the three nonnuclear principles.⁴ Internationally, the government has on several occasions pronounced its commitment to a nuclear-free Japan at the United Nations.⁵ Furthermore, the nonpossession and the nonproduction principles became part of Japan's international obligation when Japan ratified the Nuclear Nonproliferation Treaty in June 1976.

In recent years the nonnuclear policy has come under both domestic and international pressures, and the earlier absence of open and critical examination of the nonnuclear principles and their long-term security implications may contribute to a serious weakening of the national consensus in favor of that policy.

2. See Seiichi Sato, "Kaku 'Mochikomi' no Kyojitsu" (The False Fact about the "Introduction" of Nuclear Weapons), *Sekai*, no. 430 (September 1981), pp. 70–71.

3. Daniel I. Okimoto, "Chrysanthemum without the Sword: Japan's Nonnuclear Policy," in Martin E. Weinstein (ed.), *Northeast Asian Security after Vietnam* (Urbana, Illinois: University of Illinois Press, 1982), p. 129.

4. Seiichi Sato, "Kaku," p. 71.

5. At the first special session of the U.N. General Assembly on disarmament in the spring of 1978 and again at the U.S. Disarmament Committee session on January 25, 1979, the Japanese head delegates described their government's commitment to the three non-nuclear principles.

Domestic criticisms are of three types. First, there is the view that the nonintroduction principle is an unnecessary burden on the U.S.-Japan security arrangements in that it renders U.S. naval mobility in Japanese coastal waters less than complete. It is therefore argued that it should be abrogated. Another increasingly vociferous, yet still minority, view is that Japan should keep the option of future nuclear armament open and that the three nonnuclear principles, if maintained indefinitely as proponents of the policy demand, would tie the country's hands. Japan's reluctance until 1976 to ratify the NPT was in part due to the concern that Japan might some day lose U.S. security protection and need its own nuclear arms.⁶ As I will note later, there are even some who openly advocate Japan's nuclear armament in the immediate future. Proponents of the nonnuclear policy counter those arguments by advocating that the three principles be maintained indefinitely because they are the consensus of the vast majority of the people, and that the government commit itself more clearly to the protection of the policy in line with the spirit of the peace constitution. In the following discussion, I will analyze the current debate on these and other questions that will determine the future fate of the three nonnuclear principles.

Territorial Sea Extension

The view that the nonintroduction part of the nonnuclear policy may have to be abrogated to accommodate U.S. naval interests in Japanese coastal waters surfaced in the middle of the 1970s when a controversy flared regarding the extension of Japan's territorial sea claims from three to twelve miles and the status of five straits areas that would partially or wholly come under Japanese sovereign jurisdiction upon territorial sea extension.

On July 1, 1977, the Law on the Territorial Sea went into force extending the country's territorial sea limit to twelve miles except in five straits areas used for international navigation—Soya Strait between Hokkaido and the Soviet Sakhalin Island, Tsugaru Strait between Hokkaido and Honshu, Tsushima Strait East and West Channels between Kyushu and Korea, and Osumi Strait off the southern tip of Kyushu—where the territorial claim remained three miles pending the outcome of the United Nations Conference on the Law of the Sea.⁷ In

6. For example, in 1975 Herman Kahn expected Japanese nuclear weapons. According to a UPI report, a classified U.S. Air Force document shows that the Air Force expects Japan to go nuclear along with ten other countries by the year 2000. Cited in *Asahi Shimbun*, March 8, 1983.

7. For a detailed analysis of the Japanese decision-making process leading to the territorial sea extension, see Tsuneo Akaha, "The 12-Mile Territorial Sea and the 200-Mile

the absence of a formal international legal consensus on the status of straits used for international navigation, Japan at the time had three options: (1) extend the territorial sea unilaterally from three to twelve miles throughout Japanese coastal areas, while at the same time, in line with the emerging international consensus, adopting a rule of relatively free (transit) passage for foreign vessels, including warships, and foreign aircraft through and over Japanese straits; (2) extend the territorial sea to twelve miles and prohibit the passage of foreign military vessels and aircraft altogether; or (3) refrain from unilateral territorial sea extension and wait for the international conference to produce a final agreement on the straits issue. Under domestic pressure to extend the territorial limit to protect coastal fishermen from Soviet competitors but wishing not to produce domestic legislation contradicting an internationally accepted or acceptable legal principle, the government decided to "shelve" its territorial claim in the straits areas while extending it to twelve miles in all other coastal areas.

One of the major concerns of the Foreign Ministry regarding a possible uniform twelve-mile limit was that if the straits were totally enclosed by Japanese territorial jurisdiction, Japan would have to enforce its domestic law and policy, including the three nonnuclear principles, against foreign warships, but that such action would be seen as a direct challenge to Soviet security concerns. Furthermore, while the government's official explanation was that the extraordinary decision to adopt two different distances for territorial waters had nothing to do with the three nonnuclear principles, it was clear that the government was concerned about the likelihood that a twelve-mile territorial sea claim in the straits areas would jeopardize U.S. naval mobility in Japanese coastal waters—mobility that had virtually been guaranteed under the existing bilateral security arrangements. Critics argued that the government should extend the territorial sea limit uniformly to twelve miles throughout its coastal waters and prohibit the introduction of nuclear weapons into any part of the enlarged territorial sea. They saw the government's decision as tantamount to defeating the spirit of the nonnuclear policy with respect to straits areas.

Under the 1977 legislation, Japan allows U.S., as well as Soviet, vessels to continue their unhampered passage through the straits in question. Even if Japan eventually decides to adopt a uniform twelve-mile territorial sea, its recent decision to accept the new U.N. Convention on the Law of the Sea means that Japan will recognize the right of foreign ships

and aircraft to transit passage through and over its straits. In other territorial sea areas, the new international ocean regime obligates Japan to observe the principle of "innocent passage." Since international law has precedence over domestic law or policy, Japan will no longer be able to apply the domestic policy of the three nonnuclear principles in its territorial waters. Indeed, therefore, Japan will have to recognize innocent passage through its territorial waters by foreign warships including those carrying nuclear weapons. Nor will the Convention allow Japan or any other party to the treaty to require advance notice and approval for passage of foreign warships through their territorial seas.⁸ Unless the government takes exception to the innocent passage principle by prohibiting passage of warships carrying nuclear weapons—an action that would certainly be challenged, at least legally, by the nuclear powers—Japan's compliance with the new law of the sea will constitute de facto abrogation of the nuclear nonintroduction principle.

To prevent such a situation, a group of constitutional scholars, political scientists, and international legal scholars are conducting a campaign to promote public debate on the nonnuclear policy by presenting their proposal for a law on the three nonnuclear principles.⁹ Cognizant of the fact that parliamentary resolutions, other than those specified by existing law such as Cabinet nonconfidence resolutions, do not have legal effect, advocates of the nonnuclear policy have therefore criticized the government for not legally committing itself to the nonnuclear principles by legislating them. So far, however, the government has shown no interest in legislating the nonnuclear policy; nor has it made public how it intends to reconcile the nonintroduction principle with a uniform twelve-mile territorial sea that will enclose all or most ocean areas within the five straits, through which U.S. and Soviet naval surface ships and submarines have been passing unhampered.

8. For a discussion of the implications of the U.N. convention on the Law of the Sea for Japan's territorial sea law, see Nakamura, "Kaiyoho Joyaku to Nihon no Hoteki Taio" (The Convention on the Law of the Sea and Japan's Legislative Response), *Juristo*, no. 781 (January 1983), p. 204.

9. The draft bill for the "Law on the Three Nonnuclear Principles," announced on April 10, 1979, reads as follows: *Article 1*: This law aims to clarify basic policy on the prohibition of manufacturing, possessing and bringing in nuclear weapons; *Article 2*: No person shall manufacture nuclear weapons; *Article 3*: No person shall possess nuclear weapons; *Article 4*: No person shall bring in nuclear weapons nor let nuclear weapons be brought into the territory of Japan, nor shall any person be provided with nuclear weapons. No person shall permit the navigation of a ship or an aircraft carrying nuclear weapons in the territory of Japan; *Article 5*: No person shall be put to any disadvantage or be made to suffer as a result of pointing out or hindering any act that violates any of the preceding articles; *Article 6*: The State, local public entities and enterprises shall take such steps as are necessary to implement the basic policy prescribed in this law. *Hogaku Seminaa*, 23:8 (July 1979), p. 11.

Intensification of U.S.-Japan Security Arrangements

When the mutual security treaty was originally signed and went into effect in 1952, it was generally understood that the treaty was little more than a security pact, *if* a one-sided one, that obligated the United States to come to the aid of Japan in case of external aggression against the latter, but which did not provide for a reciprocal obligation for Japan. Since Japan became an economic giant in the 1970s and since the U.S. security policy during the same decade advocated that its Asian allies, including Japan, increase their share of the defense burden, the U.S. government began reexamining its security relations with Japan, and this has necessitated increased dialogue between the two governments. In the process, a number of difficult questions have surfaced.

The most fundamental question is: Should the security relations between the two countries be narrowly defined as a defense pact or more broadly conceptualized as a comprehensive relationship in which security arrangements are only one of many dimensions along with political, economic, and social dimensions? No clear consensus has emerged between the two countries, with the U.S. defining the bilateral security ties primarily in military terms and the Japanese preferring a broader definition based on their yet ill-defined concept of "comprehensive security."¹⁰

The second issue that has surfaced in the bilateral dialogue is: Should Japan's defense policy be coordinated not only with Washington's Asian security policy but also with its global strategic policy? Third, to what extent and how should Japan's tactical and operational planning and preparations be coordinated with the U.S. role in the defense of Japan and more broadly in the maintenance of peace and security in East Asia? In particular, what operational role should Japan play in response to the recent Soviet arms and naval buildup in the region? Since these two questions have the most direct implications for Japan's nonnuclear policy, I will discuss them in some detail later.

The fourth question is: Should Japan's defense perimeter be expanded and if so, how far, and what operational role should Japan play within that perimeter? In part under U.S. pressure and in part out of their own

10. For reexamination of the security relationship between the two countries, see, for example, Franklin B. Weinstein (ed.), *U.S.-Japan Relations and the Security of East Asia: The Next Decade* (Boulder, Colorado: Westview, 1978); Martin E. Weinstein (ed.), *Northeast Asian Security after Vietnam* (Urbana, Illinois: University of Illinois Press, 1982); R. B. Byers and Stanley C. H. Ing, "Japanese Security in the 1980s," *Journal of International Affairs*, 37:1 (Summer 1983), pp. 163-175; Taketsugu Tsurutani, "Old Habits, New Times: Challenges to Japanese-American Security Relations," *International Security*, 7:2 (Fall 1982), pp. 175-187.

desire to ensure economic security, the Suzuki and Nakasone governments have decided to extend Japan's sea-lane defense perimeter to 1,000 nautical miles from the Japanese main islands. It is not clear what operational role Japan will play within this expanded defense area. Initially, the government stated that the Maritime and the Air Self-Defense Forces would be improved so that in emergency situations they might be able to escort and protect vessels carrying food, oil, and other resources to Japan along two sea-lanes—the Tokyo-Guam and the Osaka-Bashi Channel (between Taiwan and the Philippines) sea-lanes. Subsequently, however, the Defense Agency has stated that the “sea-lanes” are not necessarily limited to specified widths, that the defense of sea lines of communication is based on cumulative effects of antisubmarine patrol, sea-lane escort, and straits protection, and that the overall objective includes the protection of strategic materials in case of national emergency. Furthermore, some Defense Agency officials acknowledge that the Self-Defense Forces may assist U.S. naval vessels within the defense perimeter.¹¹ Moreover, the government has indicated the possibility that Japan may engage in the protection of foreign-registered vessels carrying shipments to Japan if they should be indiscriminately attacked by Japan's adversary.¹² These statements point to substantially expanded Japanese defense activities in the Pacific in the near future, clearly a policy change resulting from the intensified U.S.-Japanese defense alliance. Feasibility, legality, and necessity of such contingency actions are currently being debated.

Yet a fifth issue that has attracted attention in the current debate on U.S.-Japanese security ties is: What, if any, security relationship should be established between Japan and the Republic of Korea in relation to the U.S.-ROK security ties? Prime Minister Yasuhiro Nakasone visited Seoul on January 12, 1983, shortly before his trip to Washington, and pledged to provide \$4 billion in economic aid to South Korea over a five-year period. Critics view this as Nakasone's attempt to support the South Korean economy so as to lighten the defense burden on the Korean government. They maintain that since it would be unconstitutional for Japan to enter into a collective security arrangement with another country, for it would entail a Japanese military role beyond the “defensive” functions justified under the constitution, and since both the Nakasone government and the United States wish to develop closer ROK-Japanese ties based in part on security considerations, substantial economic support for the Seoul government is the only thing the

11. *Asahi Shimbun*, March 13, 1983.

12. *Ibid.*, March 14, 1983, evening, p. 1.

Japanese government can provide. Some even see the \$4 billion economic aid as an integral part of a U.S. policy of encirclement against the Soviet Union.¹³

Finally, the perennial issue regarding Japan's defense spending is receiving renewed attention amidst the current debate on U.S.-Japanese security policy coordination. The desire to limit defense spending has long been shared by virtually all politically relevant groups in the country, and it became a formal government policy in November 1976 when the Cabinet decided to keep the country's defense expenditures below one percent of its GNP. Defense expenditures for FY 1981, 1982, and 1983 were, respectively, 2,400 billion yen (0.91% of GNP), 2,586.1 billion yen (0.93%), and 2,754.2 billion yen (0.98%). In recent years, defense spending has grown faster than most other government expenditures. It grew by 6.5% from 1982 to 1983, while social welfare expenditures grew by only 0.6%, education-science spending fell by 0.9%, and public works expenditures did not change.

There are some recent indications that the ceiling of one percent of GNP may no longer be so "sacred" as it once appeared. When the 1983 budget was decided, the finance minister spoke of the necessity of abandoning the standing ceiling and instead adopting a different target because of the possibility that defense spending would surpass the current ceiling if GNP did not show a reasonable growth.¹⁴ Earlier, on December 15, Nakasone stated that it might not be possible to keep 1984 defense expenditures below one percent of GNP.¹⁵ It is as yet unclear, however, whether the government will be able to persuade all major participants in defense budget decision making that the abandonment of the existing ceiling is either necessary or desirable. There continue to be major obstacles such as public opinion, opposition political parties, and the large government budget deficit, which requires austerity measures.

Although the debate on these questions continues, there is a broad consensus among government officials, political party leaders, business leaders, and private observers who have strongly supported past and current U.S.-Japanese security arrangements that Japan's security essentially depends on the continuation of those ties and that, given the deteriorating security situation in the region, the two countries should step up the coordination of their respective security policies. The For-

13. Eiichi Shindo, "Ryo Kokumin ni 'Tsuke' Modoru Osore" (The Possibility that the Two Peoples Will Bear the 'Debt'), *Asahi Shimbun*, January 13, 1983.

14. *Asahi Shimbun*, December 31, 1983.

15. *Ibid.*, December 15, 1983.

eign Ministry's support for improved coordination between the two governments was reflected in the use of the term "alliance" in the joint U.S.-Japanese communiqué issued at the conclusion of then Prime Minister Zenko Suzuki's visit to Washington in May 1981. Inclusion of this term, with its military connotations, in reference to bilateral relations created such a political uproar in the country that the prime minister had to force Foreign Minister Masayoshi Ito to resign.

A similar consternation resulted from the mass media report that in his interview with the *Washington Post* in January 1983, Prime Minister Nakasone described Japan as an "unsinkable aircraft carrier" in the Pacific.¹⁶ In the context of U.S.-Japanese efforts to strengthen their security ties and of Japan's apparent accommodation of the U.S. pressure for assuming a greater defense burden, the expression was naturally interpreted by opposition political parties and the mass media as a manifestation of Nakasone's hawkish attitude and of his wish to bring Japan into closer cooperation with the United States in the latter's effort to build an anti-Soviet alliance system in the western Pacific. After all, the ultranationalistic expression had been used by the late General Douglas MacArthur in reference to Taiwan to denote its vital importance to U.S. security.¹⁷

The prime minister's response to criticisms about the use of militaristic terminology has been inconsistent and confusing. At one time he denied having used the expression "unsinkable aircraft carrier," but subsequently he admitted that he had indeed done so; then he later explained that the expression was meant to be an analogy. This was not at all reassuring to the critics who had become convinced that Nakasone was placing an increasing emphasis on the military aspect of U.S.-Japanese relations. Such conviction was further strengthened on February 8, 1983, when the prime minister stated at the House of Representatives Budget Committee session that under the U.S.-Japan mutual security treaty Japan will play the defensive role of "shield" and the United States the offensive role of "spear," that Japan's defense and U.S. strategic operations share much in common and are like "concentric circles," and that maximization of U.S. offensive capabilities against a common adversary, presumably the Soviet Union, will be in Japan's security interest.¹⁸

The mainstream consensus about closer U.S.-Japanese security coordination has been translated into specific decisions in recent years. The

16. For Nakasone's alleged reference to "unsinkable aircraft carrier" and the mass media's response, see *Asahi Shimbun*, January 22, 1983.

17. For MacArthur's use of the expression, see Maj. Gen. Henry Mohr, "What are the Soviets up to in the Pacific?," *St. Louis Globe-Democrat*, June 4-5, 1983.

18. *Asahi Shimbun*, February 9, 1983.

August 1975 agreement between Director General Sakata of the Japanese Defense Agency and U.S. Secretary of Defense James Schlesinger to hold regularly scheduled meetings between the defense chiefs of the two governments marked the beginning of such efforts. Efforts at coordination were systematized in November 1978 when the "Guidelines for Japan-U.S. Defense Cooperation" was approved by the Security Consultative Committee, which had been established in January 1969 on the basis of Article IV of the mutual security treaty. In accordance with the Guidelines, the two governments are currently consulting each other on such matters as joint defense planning, enforcement of common security measures, establishment of a defense planning coordination center, classification and standardization of operational preparations, electronic communications, exchange of intelligence, and logistic support.¹⁹

Cooperative arrangements have also been expanded in the area of military equipment and technology exchanges. In the past, the U.S. has made military equipment and technology available to Japan through grant aids, direct sales, and production licenses. A series of unofficial and official meetings between defense officials of the two governments since September 1980 resulted in the January 14, 1983, cabinet understanding to approve transfer of weapons technology to the United States. The decision created a political uproar because it marked a major break with the past. The government policy, first made public by Prime Minister Sato on April 21, 1967, had been that Japan would not export weapons to Communist states, to countries to which U.N. resolutions on banning weapons' exports applied, and to others involved or suspected of involvement in an international conflict. The "three weapons export principles" had been supported by all parties, as demonstrated by the fact that in March 1981 the House of Representatives and the House of Councillors unanimously passed a resolution requesting effective government implementation of the policy. Moreover, former Prime Minister Takeo Miki stated in February 1976 that Japan would refrain from exporting weapons even to areas not covered by the three principles, presumably including the United States. In June 1976, former Minister of International Trade and Industry Toshio Komoto clarified the government policy by saying that the export of weapons technology should also be examined under the three weapons export principles. The clear implication was that the government would apply the same principles to the transfer of military weapons and military weapons technology alike.²⁰

19. *Defense of Japan*, 1982 (Tokyo: The Japan Times, 1982), pp. 239-240.

20. *Asahi Shimbun*, April 7, 1983.

The government explained that the recent cabinet decision did not violate the three weapons export principles because it was not those principles but the U.S.-Japan Mutual Defense Agreement (MDA) that applied to weapons technology transfer to the United States. The 1954 bilateral agreement was originally designed for the United States to provide weapons and weapons technology to Japan. But the U.S. since 1981 has been asking the Japanese government to make their weapons arrangement reciprocal, ostensibly to place the bilateral relationship on a more equal footing but perhaps also to share the cost of weapons research and development and production with Japan as well as to prepare for the time when Japanese technology, especially in the high-tech fields, can make a significant contribution to weapons development and production in the United States. If the MDA and not the three weapons principle applies to the equipment and technology transfer from Japan to the U.S., it is quite possible that the Japanese government will justify future transfer of not only weapons technology but unfinished or even finished weapons. It is even conceivable that Japanese-made weapons may end up in a third country. Export of Japanese weapons would also promote the weapons manufacturers in Japan. Government weapons and equipment procurement from Japanese producers already amounts to 1.127 trillion yen (about \$4.9 billion) and is expected to grow significantly in the near future.²¹

Additional U.S.-Japanese defense coordination has appeared in the latter's increasing support for the U.S. forces stationed in Japan, increasingly large and frequent joint military exercises involving the Maritime, Air, and Ground Self-Defense Forces, and expanded defense personnel exchange programs for military education and training. Consolidation of the bilateral defense ties has become possible in large measure because of changes in the domestic political climate. There is now clearly more public support, or at least tacit consent, for the bilateral security ties than ever before. The gradual withdrawal of U.S. ground troops from Asia in the aftermath of Vietnam has eased the political tensions in Japan, where in the 1960s and the early 1970s there was vehement opposition to U.S. involvement.

As the U.S. policy change began to impact directly upon Japan's defense posture, however, some important questions have also begun to surface with no clear consensus in sight. The U.S. withdrawal from Asia has meant, first, force increases by U.S. allies in Asia and, second, increasing U.S. emphasis on the development of nuclear deterrence capabilities in the region, including the deployment of land-based, sea-

21. Ibid.

borne, and airborne nuclear weapons. Generally speaking, the first implication has been accepted in Japan with surprisingly little effective opposition. It is the second implication that has caught Japan ill-prepared and threatens to send the country back into the political turmoil in which it found itself in earlier decades. Particularly problematic are: first, the Soviet force buildup in East Asia; second, the credibility of the U.S. nuclear umbrella; and, third, the nonintroduction part of the three non-nuclear principles. It is to these issues that I will now turn.

The Soviet Force Buildup in the Far East and the U.S. Nuclear Umbrella

When the United States enjoyed an unequivocal nuclear predominance vis-à-vis the Soviet Union until the 1970s, Japanese reliance on the U.S. nuclear shield was virtually unquestioned. When the nuclear balance between the two superpowers reached the current essential equivalence and when the U.S. lost the war in Vietnam, however, many Japanese began to question the credibility of the U.S. nuclear posture in East Asia. Their confidence has been further shaken by the recent Soviet buildup of nuclear arsenals and conventional forces in East Asia. In the mid-1970s, for the first time since 1945, Japanese defense planners explicitly named the Soviet Union as a potential threat to Japanese security.²²

The Defense Agency includes in its reference to the Soviet threat the following facts: the Soviet deployment in East Asia of 39 divisions, or about 360,000 ground troops; the presence of about a quarter of its air force's entire operational aircraft, consisting of 420 bombers, 1,550 tactical fighters, and 150 patrol planes (including several dozen supersonic Backfire bombers assigned to the maritime region); the deployment of about a quarter of its navy's entire strength (assigned to the Pacific Fleet), including some 135 submarines, one Kiev-class aircraft carrier (the *Minsk*), Kara-class missile cruisers, and Krivak-class missile destroyers; the deployment of approximately one third of its entire strategic missiles, including SS-17s and SS-N-18s and of between one quarter and one third of its SS-20s, each with a sufficient range to reach every corner of Japan; and, finally, the presence of ground troops whose combined strength is equivalent to a division (deployed in the Kunashiri,

22. Makoto Momoi, "Are There Any Alternative Strategies for the Defense of Japan?" in Franklin B. Weinstein, *U.S.-Japan Relations*, p. 75. Earlier Japanese prime ministers had singled out the Soviet Union as a chief security concern. For example, as early as 1947 Shigeru Yoshida, Hitoshi Ashida, and Tetsu Katayama singled out the "Soviet threat" when they sought some guarantee of U.S. protection of Japan.

Etorofu, and Shikotan islands, the southernmost of the Kurile islands claimed by Japan as its territories).²³

The Japanese government and media daily remind the public of the Soviet naval and air activities as well as the nuclear arms buildup in East Asia. For example, on December 16, 1982, Japanese newspapers reported the Defense Agency's announcement that the Soviet Union had deployed ten MiG-21s on Etorofu Island, apparently in retaliation against the U.S.-Japanese agreement to deploy F-16s at the U.S. air wing in Misawa, Aomori, which could threaten the Soviet Maritime Provinces and Sakhalin Island.²⁴ On February 19, 1983, Japanese media carried the news announced by the U.S. Department of Defense that the new Soviet SS-20 base at Barnaul, south of Novosibirsk, was now operational. They added that Japan, China, and Korea were all within the 5,000-kilometer range of the nine triple-warhead intermediate-range missiles deployed at the twelfth SS-20 base in the Soviet Far East.²⁵ These developments add to the already widespread sense of insecurity among the Japanese regarding their geographical and resource vulnerability to external conditions.

There is also fear that one of the by-products of the current intermediate-range nuclear force (INF) negotiations in Geneva may be a transfer of some of the Soviet theater nuclear weapons from the European stage to East Asia. Japanese media referred to a statement by Yuri Andropov in January 1983 that the Soviet Union intended to transfer some of its intermediate-range missiles from Europe to East Asia in response to a "recent Japanese move," an apparent reference to Japan's agreement to the deployment of U.S. F-16s at Misawa by 1985.²⁶ Soon after, a series of formal and informal protests and counterprotests were exchanged between Tokyo and Moscow, each side criticizing the other for contributing to the deterioration of the security situation in East Asia.²⁷ Despite public U.S. rejection of a major transfer of SS-20s from

23. For the Defense Agency's description of the Soviet threat, see *Defense of Japan*, 1982, pp. 7-14 and 30-35. It was subsequently learned that the Soviet Union had deployed 108 SS-20s in East Asia, nine more than had been reported by U.S. intelligence sources. *Asahi Shimbun*, March 19, 1983.

24. *Asahi Shimbun*, December 16, 1982.

25. *Ibid.*, February 19, 1983.

26. *Ibid.*, January 18, 1983.

27. Immediately prior to Prime Minister Nakasone's visit to Seoul and to the United States toward the end of January, the Soviet press *Pravda* carried an article criticizing the trip as a manifestation of efforts among Japan, South Korea, and the United States to consolidate their alliance against the Soviet Union. The Japanese Foreign Minister officially submitted a protest to the Soviet ambassador to Japan and denied the Soviet charge. *Ibid.*, January 25, 1983, evening edition.

Europe to East Asia, such a possibility continues to be quite unsettling since there is virtually no realistic prospect for arms reduction negotiations among the major parties concerned with Asian security.

The Soviet Union has informally indicated that it will be interested in negotiating with the United States and China for intermediate nuclear force reductions in East Asia and other parts of Asia. For instance, on March 10, 1983, Georgi Arbatov, director of the Institute of U.S. and Canadian Studies of the Soviet Academy of Sciences and a member of the Communist Party Central Committee, told an *Asahi Shimbun* senior staff writer that the late Soviet leader Leonid Brezhnev's proposal, made public in May 1982, for INF talks for East Asia and other parts of Asia, was still in force and that such talks should include participation by China. So far the United States appears not seriously interested in enlarging INF talks into a multilateral setting including France and the United Kingdom, on the European front, and China, on the Asian side. Max M. Kampelman, chief U.S. delegate to the Conference on Security and Cooperation in Europe, in an interview with the same Japanese journalist, criticized Arbatov's suggestion as "nothing but an empty propaganda statement" and characterized the Soviet suggestion to bring other participants in the INF negotiations as "an indication of a lack of seriousness" on the part of the Soviet Union.²⁸

The growing sense of insecurity in Japan is expressed both at the government level and by private observers. For example, on March 10, 1983, Foreign Minister Shintaro Abe stated in a House of Councillors Budget Committee session that he considered the Soviet force buildup in the region a "growing potential threat."²⁹ Earlier one defense analyst went so far as to say, "The Soviet Union . . . will emerge as the dominant and probably as the most aggressive actor in the region, unless the naval-air imbalance, and the overconfidence it is likely to breed [in the Soviet Union], is corrected by a joint effort on the part of the U.S. and Japan."³⁰

In the process of Japanese-Soviet verbal assaults in relation to the apparent Soviet decision to transfer some of its intermediate-range missiles to East Asia pending the outcome of the INF negotiations in Geneva, it became clear that the current and future Soviet deployment of larger conventional forces and nuclear weapons in the region was di-

28. Ibid., March 19, 1983. For the texts of the two interviews, see *Proceedings. Asahi International Symposium. In Quest of Nuclear Disarmament, March 29-31, 1983, Tokyo, Japan* (Tokyo: Asahi Shimbun, 1983), pp. 132-144.

29. Ibid., March 11, 1983.

30. Makoto Momoi, "U.S. Security Policy: A Japanese Perception," in Martin E. Weinstein, *Northeast Asian Security*, p. 70.

rected at least partially against the intensifying U.S.-Japanese defense alliance. On April 30, 1983, President Reagan announced that he would shelve his zero-zero option proposal vis-à-vis the Soviet Union and propose an interim force reduction plan that would force the Soviets to reduce their European intermediate-range missiles, allow the United States to go ahead with the planned deployment of Pershing-IIs and cruise missiles in Europe to achieve a parity vis-à-vis the Soviet medium-range missile deployment, and exclude the British and French nuclear missiles from the INF negotiations. Shortly afterward Soviet Foreign Minister Andrei Gromyko announced his government's rejection of the new Reagan proposal and, in reference to its current and planned deployment of SS-20s in Asia, stated that the Soviet Union had the right to deploy nuclear weapons in Asia to respond to the U.S. intermediate-range nuclear weapons in South Korea, on Diego Garcia in the Indian Ocean, and in the Persian Gulf, which could reach any part of Soviet Asia and Siberia.³¹

Gromyko also referred to a "large U.S. nuclear base in Okinawa."³² This was the first time that a Soviet leader at the highest level had made such an explicit and direct allegation about U.S. nuclear weapons in Japan. Prime Minister Nakasone and Foreign Minister Abe flatly denied the Soviet charge, pointing out that Okinawa had been returned to Japan nuclear free and remained nuclear free. The same message was directly relayed to the Soviet Union by the Japanese ambassador to Moscow, Oshima, on April 4, 1983.³³ The Soviet government turned a deaf ear to the Japanese denial and soon resorted to a media campaign claiming that the U.S. was stockpiling nuclear weapons in Japan, that Japan had become a "nuclear weapon carrying vessel," and that Japan was turning into the "Pentagon's forward base." A *Pravda* article warned that should Japan become a U.S. nuclear base, it would become a target of Soviet retaliation.³⁴

At the official level, however, the Soviet Union sent mixed signals to the Japanese government. At the deputy foreign minister-level meeting held in Tokyo in April 1983, the Soviet side let it be known that it did not like some of the statements that the Japanese prime minister had made during his trip to Washington. The Soviets criticized as militaristic Nakasone's statement that Japan would become an unsinkable aircraft carrier, adding that the Soviet Union had to be prepared against the nuclear forces of the U.S. Navy in the Pacific and the Indian Ocean. On

31. *Asahi Shimbun*, April 3, 1983.

32. *Yomiuri Shimbun*, April 3, 1983.

33. *Asahi Shimbun*, April 5, 1983.

34. *Ibid.*, April 9, 1983.

the other hand, the Soviet representative assured that there were no Soviet nuclear weapons targeted against Japan and that, as long as Japan kept its three nonnuclear principles intact, the Soviet Union would be prepared to conclude an agreement with Japan committing itself not to use nuclear arms against Japan.³⁵

The cool relations between the Japanese and Soviet governments are likely to continue, and there is little or no prospect that Japan will be able to take effective diplomatic measures to keep the Soviet Union from building up its nuclear as well as conventional forces in East Asia. Foreign Minister Abe expressed an interest in meeting with the Soviet foreign minister in Tokyo to look for a way out of this difficult situation, but the Soviet side politely but clearly rejected the suggestion. Under the current circumstances, therefore, it was only natural that the working-level meeting that took place in April on the territorial dispute over the northern territories showed no progress whatsoever, the Japanese side insisting that settlement of the problem was essential to improvement of bilateral relations and the Soviet side flatly denying the existence of any territorial dispute between the two countries.³⁶ It is clear that the bilateral relations have become tangled up in the U.S.-Soviet confrontation and that as long as the U.S.-Japanese defense alliance remains the cornerstone of Japan's security policy, there will be little prospect of a major breakthrough in Soviet-Japanese relations.

Despite the apparent deterioration of the security situation in the region in the past decade, however, some observers have offered cautious assessments of Soviet military power and intentions in East Asia. They have suggested that recent Soviet military activities in the area are not targeted against Japan, that even if they were, they would not be sufficient to threaten the U.S. deterrent credibility, and that Japan's best response is not military but political and diplomatic.³⁷ One analyst of Soviet behavior has maintained that prospects over the longer run for further Soviet political gains in Asia are dim because of the Sino-Soviet conflict, improved Sino-U.S.-Japanese relations, Japan's increased economic and political role in Asia, ASEAN's success as a regional political organization, stabilization of Korea, and increased sense of a common destiny among non-Communist Asian states.³⁸ A Japanese defense

35. Ibid., April 12, 1983.

36. Ibid., April 14, 1983.

37. In August 1976, Director General Michita Sakata of the Defense Agency noted that the Soviets "are not pointing their guns against us." Quoted in Franklin B. Weinstein, "Conclusions and Policy Recommendations," in Franklin B. Weinstein, *U.S.-Japan Relations*, p. 267.

38. Donald Zagoria, "The Soviet Union's Eastern Problem," in Martin E. Weinstein, *Northeast Asian Security*, pp. 74-75.

analyst has criticized defense observers and others who tend to exaggerate the "Soviet threat" and points out that the Soviets wish to avoid direct confrontations with the United States, and that they have internal problems that require their energy and attention, problems to settle with Eastern bloc countries, and no desire to invade Japan. The same analyst has argued that the real threat to Japanese security is instability in the Middle East that may result in the cut-off of oil supplies to Japan.³⁹ Yet another noted Japanese defense analyst has advocated a diplomatic-political response to the Soviet military buildup in East Asia.⁴⁰

These assessments indicate that there is not yet a consensus among analysts on the seriousness or the nature of the "Soviet threat." It is unclear, however, how much longer these cautious observations will continue. Nor is it clear whether they will be sufficient to quell the anxiety that many Japanese obviously feel about the deterioration of the security situation surrounding their country. It is not to these scholarly analyses that the majority of the Japanese public listens; they respond more sensitively to the often sensational mass media coverage of security issues. Discussion in the United States about "winnable nuclear war" and "limited nuclear war" certainly heightens their sense of insecurity. They fear, for example, that the supposed limited exchange of nuclear attacks would take place not directly on the soils of the two superpowers but in the European and Asian theaters, which would certainly involve Japan. Statements by some U.S. officials to the effect that the United States would be unlikely to allow its engagement in a theater nuclear war to lead to a direct nuclear confrontation with the Soviet Union defeat the repeated assurance by the Japanese government that the U.S.-Japanese security treaty provides a credible deterrent against a potential Soviet attack, conventional or nuclear. Henry A. Kissinger is quoted as having said in September 1979 that the NATO allies of the U.S. should not count on the U.S. nuclear umbrella against the Soviet SS-20s.⁴¹ Many

39. A statement by Masamichi Inoki in a July 1981 *Chuo Koron* article, cited in Yasushi Yamaguchi, "Tate toshiteno Boeiryoku' Hihan" (A Critique of 'Defense as a Shield'), *Sekai*, no. 429 (August 1981), p. 26.

40. Masataka Kosaka, "Northeast Asian Security after Vietnam: A View from Japan," in Martin E. Weinstein, *Northeast Asian Security*, p. 49.

41. Katsumi Takeoka, "Nihon no Anzen Hosho to Kaku Gunshuku—Moto Boei Kanryo no Kuno" (Japan's Security and Nuclear Arms Reduction—The Frustration of a Former Defense Bureaucrat), *Sekai*, no. 447 (February 1983), pp. 84-85. Strategic air commander Halloway is also quoted as having said in a 1971 House Budget Committee hearing that the president would not launch land-based ICBMs against the Soviet Union at the risk of 100 million American lives even though the United States might be engaged in a tactical nuclear war in Europe. *Ibid.*

Japanese are further convinced that the increasing U.S.-Japanese security ties mean nuclearization of the strategic calculus in the western Pacific from which they will not be able to extricate themselves. Foreign Minister Abe's statement on May 24, 1983, that the U.S. nuclear umbrella means "a comprehensive nuclear power including strategic, theater, and tactical nuclear (arms)" gives them the same fear that many citizens of NATO member nations feel, the fear that the U.S.-Soviet nuclear arms race may result in a theater nuclear war on their territories.⁴²

Within the context of the developments thus far described, there are clear signs that there is an increasing amount of practical interest in nuclear armament in general and to a lesser degree in Japan's own nuclear option. One such sign is the establishment of strategic studies organizations such as the Research Institute for Peace and Security, Japan Security Research Center, and Japan Strategic Studies Center involving eminent university professors, leaders of business-supported think tanks, former defense officials, and, in the case of the last two organizations, politicians.⁴³ Another sign of increasing interest in strategic issues is that the recently revised Ground Self-Defense Force training manual has a substantially expanded section on nuclear weapons as compared with the last (1969) version, which had devoted only three lines to a discussion of nuclear arms. One defense analyst publicly advocates U.S. deployment of Pershing-IIs and cruise missiles around Japan. Some men in uniform are also believed to be in favor of Japan's nuclear armament,⁴⁴ while a leading intellectual has published an article advocating Japan's nuclearization.⁴⁵

Advocacy for nuclear armament is still a minority position, however, and most defense analysts caution against Japanese nuclear armament, mainly for three reasons. First, there is no military reason why Japan has to go nuclear. It is argued that as long as the U.S. maintains its deterrent

42. Abe's statement appeared in *Asahi Shimbun*, March 25, 1983.

43. The Research Institute for Peace and Security conducts studies commissioned by the Defense Agency. For a critical view of the institute, see Udai Fujishima, "Seron Yudo nimiru Nichibei Renkei Sakusen" (Japan-U.S. Joint Tactics in Public Opinion Manipulation), *Sekai*, no. 435 (February 1982), pp. 139-150. For a similarly critical discussion of the prodefense Japan Security Research Center and Japan Strategic Studies Center, see Yu Takaoka, "Kiken Suiiki ni Haitta Nichibei Gunji Kyoryoku" (Japan-U.S. Military Cooperation Enters a Dangerous Zone), *Sekai*, no. 430 (September 1981), pp. 57-63.

44. The advocate is Miyoshi Osamu. Katsumi Takeoka, "Nihon no Anzenhosho to Kaku Gunshuku—Moto Boei Kanryo no Kuno" (Japan's Security and Nuclear Arms Reduction—The Frustration of a Former Defense Bureaucrat), *Sekai* no. 447 (February 1983), pp. 84-85.

45. Ikutaro Shimizu, "Kaku Sentaku—Nippon yo Kokka tare" (The Nuclear Option—Be a State, Japan), *Shokun*, July 1980.

capabilities by deploying nuclear weapons in the western Pacific and in South Korea, Japan need not take the nuclear option.⁴⁶ Japan does not even have to introduce U.S. nuclear weapons into its own territory, the argument goes, as long as its security partner maintains its nuclear weapon delivery systems in Japan, such as the howitzers currently deployed in Okinawa and F-4s, A-4s, and A-6s at Iwakuni.⁴⁷ It is further argued that the only sensible nuclear armament for Japan would require strategic nuclear arms, such as ICBMs, that would directly threaten the Soviet Union but that such weapons would be neither acceptable domestically or internationally nor realistic and practicable in Japan.⁴⁸

Second, it is pointed out, Japan's nuclear armament would create serious strains in its relations with Asian neighbors and become a major destabilizing factor in East Asian politics.⁴⁹ Moreover, it is feared that Japan's decision to go nuclear might prompt the Soviet Union to launch a preemptive attack on Japan.⁵⁰

The third reason often cited against the nuclear option is that the stability of the Japanese political system would be threatened by its polarization into pro- and antinuclear forces. According to *Sankei Shimbun* public opinion polls, about one quarter of those polled in 1973, 1974, and 1975 thought Japan would go nuclear in the future. Those who thought Japan would not arm itself with nuclear weapons constituted 42% of those polled in 1973 but only 36% in 1974 and 30% in 1975. This is a reflection not of an increase in support for Japanese nuclear armament but of an increasing sense of uncertainty as to what the government might decide to do in response to changes in the international security situation. Those who acknowledged that they could not judge the likely future development increased from 29% in 1973 to 33% in 1974 and 40% in 1975.⁵¹ At present politicians are careful not to be seen as eagerly supporting the nuclear option for fear that they might meet the same fate as former Agriculture and Forestry Minister Tadao Kuraishi, who in 1968 was forced to resign from his cabinet post for publicly declaring his wish for a nuclear Japan as a means of protecting

46. See, for example, Takuya Kubo, "The Meaning of the U.S. Nuclear Umbrella for Japan," in Franklin B. Weinstein, *U.S.-Japan Relations*, pp. 113-114 and 117; Henry S. Rowen, "Japan and the Future Balance in Asia," in *ibid.*, p. 255.

47. Kubo, "Meaning of U.S. Nuclear Umbrella," pp. 116 and 118-119.

48. Takeoka, "Nihon no Anzenhosho to Kaku Gunshuku," p. 88.

49. See, for example, Kubo, "Meaning of U.S. Nuclear Umbrella," pp. 107-108.

50. Takeoka, "Nihon no Anzenhosho to Kaku Gunshuku," p. 88.

51. Kubo, "Meaning of U.S. Nuclear Umbrella," pp. 111-112.

Japanese fishermen from harassment by Soviet patrol boats in the waters north of Hokkaido.⁵²

In summary, the current majority view is that Japan ought to continue to rely, or does not have any alternative, on the U.S. nuclear shield because Japan's conventional forces backed by the U.S. nuclear and nonnuclear capabilities in the region are sufficient to deter the Soviet Union.

Demise of the Three Nonnuclear Principles?

If Japan continues to rely on the U.S. nuclear deterrent within the deteriorating security situation in East Asia, the three nonnuclear principles will become even more crucial than before, for, among other things, the continuation of the policy will further underscore Japan's commitment to a nuclear-free Japan and serve as a reminder to other nonnuclear states that it is possible to be both a nonnuclear and a major power. Support for the nonnuclear principles in Japan has been substantial—67% of those polled by *Sankei Shimbun* in 1975 endorsed the government policy and 77% of those asked by *Asahi Shimbun* in the same year expressed their support.⁵³

There is anxiety and uncertainty among the public, however, which results from the possibility that, under domestic and international pressures, the government may feel increasingly tempted to abandon one or more of the three nonnuclear principles. In this context, the crucial question is: How committed is the Japanese government to the nonintroduction part of the nonnuclear policy?

There is a widespread suspicion in Japan that the nonintroduction principle has been violated by U.S. nuclear arms-carrying vessels. A 1975 *Asahi Shimbun* poll showed that 67% of the respondents thought the principle was not being observed, while only 11% believed that it was.⁵⁴ The suspicion is based in part on logic and in part on some acknowledgment by individuals who are supposedly knowledgeable about U.S.-Japanese security arrangements. Logically, it is hard to believe that U.S. nuclear ships and submarines unload their nuclear weapons before coming into Japanese ports.

Acknowledgment indicating de facto suspension of the nonintroduction principle has come from Rear Admiral Gene Laroque, former com-

52. For a description of the Kuraishi incident, see Jay B. Sorenson, *Japanese Policy and Nuclear Arms* (New York: American-Asian Education Exchange in association with National Strategy Information Center, 1975), pp. 27-28.

53. Kubo, "Meaning of U.S. Nuclear Umbrella," pp. 111-112.

54. *Ibid.*, p. 112.

mander of the U.S. Seventh Fleet Ship *Providence* and from former Ambassador to Japan Edwin O. Reischauer. Laroque stated in October 1974 that U.S. navy vessels that were capable of carrying nuclear weapons actually did carry such weapons and that they did not unload them before entering Japanese or any other foreign ports.⁵⁵ Reischauer was quoted by a Japanese newspaper as stating in May 1981 that *mochikomi*, the Japanese word for "introduction," means bringing nuclear weapons into Japanese territorial waters but the English word refers to bringing such arms on land on a more permanent basis than is implied by the Japanese expression.⁵⁶ The ambassador's statement is clearly at variance with Japanese government officials' public statements. For example, Foreign Minister Abe stated at the House of Representatives Budget Committee session on February 23, 1983, that the introduction of nuclear weapons, whether by vessels making port calls or transiting through Japanese territorial waters, is subject to prior consultation between the two governments and that Japan will not approve of such introduction.⁵⁷

In order to alleviate public suspicion that the government might suspend or might already have suspended the nonintroduction principle, Japanese foreign ministers and prime ministers since Sato have without exception referred to the three principles collectively as *kokuze*. Furthermore, in May 1982 the legislature unanimously adopted a resolution calling for international disarmament efforts that stated inter alia that the three nonnuclear principles were indeed the nation's essential policy.⁵⁸ However, Prime Minister Nakasone at one time refused to recognize the policy as *kokuze* and described it simply as "an important policy" of the government. Although Nakasone later changed his position and publicly recognized the three nonnuclear principles as the nation's essential policy, apologizing for his "lack of understanding" of the government's standing policy, this incident strengthened popular suspicions about the government's less-than-complete commitment to the nonnuclear policy.⁵⁹

Public suspicions become particularly problematic as an increasing number of U.S. naval vessels routinely visit Japanese ports as part of the bilateral security arrangements.

Visits to Japanese ports by U.S. nuclear-powered vessels, submarines, or surface vessels have always been a controversial issue in Japanese politics. In June 1961, Secretary of State Dean Rusk asked Foreign

55. *Asahi Shimbun*, February 24, 1983.

56. Reischauer's statement was quoted in the *Mainichi Shimbun*, May 18, 1981.

57. Abe's statement appeared in *Asahi Shimbun*, February 24, 1983.

58. *Ibid.*, February 20, 1983.

59. *Ibid.*, February 22, 1983.

Minister Zentaro Kosaka for Japanese approval of port calls by U.S. nuclear submarines in Japanese ports, but Tokyo rejected the request. After secret negotiations between the two governments from January 1963 to August 1964, however, the Japanese government finally acquiesced and gave its consent to U.S. nuclear submarines' temporary use of Japanese port facilities. The opposition parties criticized this decision and warned that the U.S. submarines might bring nuclear arms into Japan. The government answered the charge by explaining that port call approval would not be given to the Polaris class submarines loaded with nuclear missiles and that submarines carrying antisubmarine torpedoes with nuclear warheads would be subject to the so-called prior consultation agreement between the U.S. and Japanese governments.

The prior consultation provision was written into the Kishi-Herter notes exchanged at the same time the security treaty was revised in 1960, and requires "consultation" between the two governments if the United States contemplates taking combat action using bases in Japan or making "major changes" in the deployment of U.S. forces in Japan. There was also a verbal understanding between the U.S. ambassador to Japan, Douglas MacArthur, and Foreign Minister Aichihiro Fujiyama that the deployment of a division of land or air forces or a task force in the case of the navy would require consultation. Although it is generally understood in Japan that "consultation" includes the Japanese government's right to reject proposed changes and that "major changes" include U.S. deployment of any type of nuclear weapons, the agreement's workability is yet to be tested because neither side has ever invoked the prior consultation provision.⁶⁰

Thus came the first visit by a U.S. nuclear submarine in November 1964. Since then U.S. nuclear subs have paid well over 180 visits to the ports of Yokosuka and Sasebo. In the peak year of 1972, when the United States resumed bombing of North Vietnam and its Seventh Fleet was busily mining North Vietnamese coastal waters, U.S. nuclear-powered submarines visited Japanese ports as many as thirty times. After 1973, as a result of gradual U.S. withdrawal from Southeast Asia and in the context of detente between the two superpowers, the frequency of visitation dropped to between five and ten times a year. Since 1980, however, the stepped-up effort by the U.S. to bring Japan into its anti-Soviet orbit in the western Pacific and the willing Japanese accommodation of the U.S. policy have brought about a noticeable increase in

60. For discussions of this question, see Masaru Ogawa, "Prior Consultation," *The Japan Weekly*, April 29, 1972, p. 3, and Okimoto, "Chrysanthemum without the Sword," p. 136.

the number of U.S. nuclear submarines visiting the two Japanese ports, as many as twenty times in 1982 alone.⁶¹

Also cited by critics as a threat to the nonnuclear policy is the nonnuclear aircraft carrier *Midway*'s use of the port of Yokosuka, to the southwest of Tokyo, where the Commander U.S. Naval Forces, Japan, and the Commander 7th Submarine Group—both under the command of the U.S. Pacific Fleet—are located. The 51,000-ton, 3,500-crew ship first visited the port in the fall of 1973 and, after resuming visitation in March 1980, the aircraft carrier has been spending about six months each year in Yokosuka.⁶² Critics call the port the *Midway*'s "home port" because of the permanent use the aircraft carrier makes of the port facilities. They are concerned that Sasebo, Nagasaki, may also be turned into a home port to be used on a permanent basis by the nuclear-powered aircraft carrier *Enterprise*. When this 75,700-ton ship first came to the port on January 19, 1968, on its way to active mission in Vietnam, violent demonstrations took place in the city of Sasebo, resulting in some five hundred injuries. The return of the aircraft carrier to Sasebo on March 21, 1983, provoked sizable (about 14,000 strong) but peaceful demonstrations organized by Socialists, Communists, and radical groups opposing the ship's return and by ultra-right groups supporting it.⁶³ The *Enterprise* normally carries a 3,100-strong crew and a 2,400-man air unit. The ship also carries about twenty-four F14A fighters, about twenty-four A-7E attackers, about ten A-6E heavy attackers, about ten S-3A anti-submarine patrol aircraft, and about eighty SH-3H antisubmarine helicopters, E-2C early warning patrol aircraft, EA-6B electronic fighter planes, and KA-6D air-fuelling aircraft.⁶⁴

It has been suspected, but never confirmed, that some of these aircraft and other U.S. naval ships carry nuclear weapons when they visit Japanese ports. The U.S. government has never confirmed or denied it, and the Japanese government's standard position has been that if the United States invokes the prior consultation agreement, Japan will not grant approval for U.S. introduction, including transit, of nuclear weapons into Japan, but that the government is satisfied by the U.S. assurance that the latter has abided by and will abide by that requirement. In other words, since the United States has not invoked the prior consultation provision, the Japanese government *assumes* that U.S. vessels and aircraft have not and will not bring nuclear arms into the country.

61. *Asahi Shimbun*, March 14, 1983.

62. *Ibid.*, February 26, 1983.

63. *Ibid.*, March 22, 1983.

64. *Ibid.*, February 26, 1983.

As pointed out earlier, such government explanation is unsatisfactory to the critics of the present arrangements. They have been equally worried that the importance of the aircraft carriers as part of the U.S. Pacific Fleet almost guarantees that Sasebo and Yokosuka would become likely targets of a Soviet nuclear attack in case of a direct U.S.-Soviet confrontation.⁶⁵ Critics remember that Prime Minister Nakasone once stated that his understanding was that the U.S. defense of Japan would include the use of nuclear weapons.⁶⁶ In response to the critics' charge and in an effort to alleviate the suspicion concerning the U.S. vessels, Foreign Minister Abe met with U.S. Ambassador to Japan Mike Mansfield on March 18, 1983, three days before the *Enterprise* was due in Sasebo, and reiterated his government's commitment to the three non-nuclear principles, asking for U.S. appreciation of the Japanese position. The ambassador stated that his government had the firm policy not to confirm nor deny the presence of American nuclear weapons anywhere and simply repeated the earlier U.S. assurance that it would faithfully carry out its security treaty obligations vis-à-vis Japan.⁶⁷

As long as the U.S. government's position not to reveal the location of its nuclear weapons continues and the Japanese government's standard position is maintained, logically there can be no grounds for prior consultation regarding nuclear-armed ships. It is equally clear that as long as that is the case, the prevailing suspicion in Japan will not disappear. It is likely that this will continue to cause a strain in Japanese politics, particularly since the government has no intention of obstructing a U.S. naval buildup in the western Pacific. For example, the Japanese government has expressed its willingness to grant permission for the newly renovated and upgraded fighting ship *New Jersey*, which normally carries thirty-two intermediate-range cruise missiles (Tomahawk), to visit Sasebo.⁶⁸ Furthermore, the Japanese government has recently announced its intention to consent to a future U.S. request to allow port visits in Japan by the new 81,600-ton nuclear aircraft carrier *Carl Vinson*, which has been reassigned from the Atlantic Fleet to the Pacific Fleet in an effort to beef up U.S. naval nuclear capabilities in the western Pacific. Potentially the

65. John Baker, coauthor of *The Strategic Nuclear Capability of the Soviet Union*, published by the Brookings Institution, points out that if a U.S.-Soviet war broke out and a U.S. aircraft carrier was in either Yokosuka or Sasebo, the Soviet Union would probably launch a nuclear attack against those targets. Quoted in *Asahi Shimbun*, February 23, 1983.

66. Nakasone's understanding was based on Defense Secretary Melvin Laird's statement that the United States was committed to defend Japan "by all means." *Ibid.*, December 23, 1982.

67. *Ibid.*, March 18, 1983.

68. *Ibid.*, evening edition, March 9, 1983.

Enterprise, the *Midway*, and their escort vessels alone could bring as many as two hundred nuclear weapons into the Western Pacific.⁶⁹ Director General Tanigawa of the Defense Agency stated, in reference to the assignment of the *New Jersey* and *Carl Vinson* to East Asia that "deterrence requires permanent presence (of such vessels) in view of the Soviet force buildup in the Far East."⁷⁰ The statement makes it clear that the Japanese government supports the permanent presence of U.S. nuclear weapons in the western Pacific.

Conclusion

The future of the three nonnuclear principles will be determined by the following factors. First, what will the Japanese government do, if anything, to reconcile the three principles, particularly the nonintroduction principle, with the new international law of the sea providing *inter alia* for foreign warships' and aircraft's right to transit passage through straits used for international navigation and innocent passage through and over other territorial waters? Second, what will be the Japanese government's response to the allegation that U.S. vessels are bringing nuclear arms into Japanese territory? Third, will the Japanese perception of the credibility of the U.S. nuclear shield further deteriorate? All of these will in turn depend on whether the U.S.-Soviet strategic competition in East Asia and elsewhere in the world further escalates.

The most likely scenario for the near future will include, first, escalation of military and political competition between the two superpowers in the region, setting off a chain of action-reaction processes that are likely to lead to an irreversible nuclear as well as conventional arms race between them, with disquieting implications for the controlled but serious arms race between China and the Soviet Union. Second, the near future will almost surely promise a heightened sense of insecurity among the Japanese in the face of regional nuclearization trends, contributing to further intensification of U.S.-Japanese security ties including the U.S. nuclear umbrella and, ironically at the same time, contributing to further serious questioning of the nuclear shield's credibility as a deterrent against the Soviet Union. Third, the Japanese government is likely to continue its practice of not pressing the U.S. on the question of introducing nuclear weapons into Japanese territory. Fourth, as a natural consequence of the third point, it is likely that the government will do nothing about the *de facto* abrogation of the nonintroduction principle. Finally, there will be more talk but little concrete action about the Japanese

69. *Ibid.*, February 23, 1983.

70. *Ibid.*, March 13, 1983.

nuclear option. Although it is highly unlikely that the Japanese government will explicitly state its interest in going nuclear in the foreseeable future, it will no doubt continue to promote the development of nuclear technology in the country. Given the fact that it will take only two years for Japan to produce nuclear weapons once it makes the political decision to go nuclear, critics will continue their close watch on the government and criticize any move it might make that can be interpreted as a step toward nuclear armament.

HANOI'S COURSE IN SOUTHEAST ASIA

A Source of Growing Regional Instability

Edmund F. McWilliams, Jr.

Despite remarkable economic progress, domestic tranquility, and steady democratization, the members of the Association of Southeast Asian Nations (ASEAN) face a common and growing threat: regional instability arising as a consequence of Vietnam's course in Indochina. The ASEAN states, particularly Thailand, Malaysia, and Indonesia, came to understand the intricate relationship between developments in Indochina and their own security and well-being in the period after 1975 when they played (and continue to play) reluctant hosts to scores of thousands of Vietnamese, Lao, and Khmer refugees who fled their homelands in the wake of the coming to power of Communist regimes in Laos, Kampuchea, and South Vietnam. Today, developments in Indochina pose more ominous challenges to the ASEAN states.

Hanoi's policy of settling thousands of Vietnamese colonists in Kampuchea, apparently to forestall the unraveling there of its control as well as to expedite the exploitation of the occupied lands, has led to still more determined Khmer nationalist resistance. Increased resistance in turn has led to new refugee pressure on Thailand's border with Kampuchea and more intense fighting along the Thai-Khmer frontier.

Meanwhile, Hanoi's growing military, economic, and political dependence on the Soviet Union as underwriter of its bid for control of Indochina constitutes a broadening base for Soviet power and for the further expansion of the Sino-Soviet rivalry into the region.

Edmund F. McWilliams, Jr., is currently First Secretary in the U.S. Embassy in the Soviet Union; he had served in the U.S. Embassy in Thailand until July 1982. The views presented in this article do not necessarily reflect those of the U.S. government. The author wishes to express his appreciation to David Halsted, Dorothy Avery, and James Bruno, all of the U.S. State Department, for their assistance in preparing this article.

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Finally, Hanoi's apparent willingness to postpone responses to urgent social and economic needs at home in order to pursue its ambitions for regional hegemony creates a climate in Vietnam (and in the rest of Indochina) that gives impetus to further refugee flight and armed resistance.

Indochina and Regional Security Considerations

The collapse of the Republic of Vietnam under the onslaught of invading North Vietnamese Army forces in 1975 ushered in a series of complex humanitarian, security, and political challenges for the neighboring states of ASEAN. The tide of refugees from Vietnam, Laos, and Kampuchea that swept onto the shores of the ASEAN states and across the conscience of the world proved to be more than an immediate panicky reaction to exaggerated fears of Communist repression. The continuing flow, to the present time, testifies to the reality and the severity of repression under the totalitarian regimes that took power in Indochina.

Vietnam's agreement in 1979, under international pressure, to cease organizing the exodus of refugees from Vietnam, its tightening of control in coastal waters, and the gradual development of "orderly departure" procedures for refugees eventually reduced the refugee flow, at least from Vietnam, though the plight of the people left behind clearly was not ameliorated.

In meeting the challenge of the "boat people," ASEAN demonstrated unity and diplomatic sophistication, appropriately characterizing the problem as an international one warranting an international response. With equal appropriateness, ASEAN identified Hanoi's policies as the "root cause" of the tragedy. Hanoi's present course in Indochina foreshadows new challenges for ASEAN that will further test both the organization's unity and its diplomatic skill.

Implications of Vietnamese Colonization of Kampuchea

Hanoi's invasion of Kampuchea in 1978 quickly overwhelmed the Khmer Rouge defenders, whose reputation for military prowess (and brutality) had been won at the expense of unarmed Khmer intellectuals and peasants. In the wake of its initial military successes, however, Hanoi was confronted by the problem of recruiting and training a loyal and competent native cadre, a task that in Laos had taken more than two decades. In Kampuchea, working largely with renegade Pol Potists and surviving cadre of earlier Khmer regimes, Hanoi had only a few months. Hanoi appears to have concluded by late 1980 that the task of creating a

competent Khmer administration loyal to Hanoi was not possible. It was then that Hanoi began settling Vietnamese colonists in Kampuchea to administer, exploit, and populate Khmer territory. (As of mid-1984, at least 250,000 Vietnamese colonists had settled in Kampuchea. The emerging pattern of military/colonial control is reminiscent of the historical process by which the Vietnamese conquered, then colonized, and finally assimilated adjacent territories such as Champa.) In so doing, Hanoi wrote off any possibility that its surrogate, the Heng Samrin regime, could ever develop a popular following among Khmers: No Khmer administration that conspired in the Vietnamese colonization of Khmer soil could ever win the acceptance of the nationalistic Khmer, who have long perceived Vietnam as an aggressor endangering the Khmers' national survival. In this sense, Hanoi appears to intend a fate for Kampuchea different from that of Laos where, thus far, its hand has been less visible and where there has been no extensive colonization. In Kampuchea, Hanoi appears to be positioning itself for high-profile control and, perhaps, ultimate absorption.

From a number of perspectives, control of Kampuchea is more important for Hanoi than is control of Laos: Opportunities for exploitation of Kampuchea's fertile soils, fish-filled waters, rubber and other forest product potential are greater (or at least more immediately available) than is the case in remote, mountainous Laos. Moreover, and more importantly, Kampuchea's long unobstructed border with Vietnam's still-restive South presumably prompts serious security concerns for Hanoi. But in colonizing Kampuchea, Vietnam unquestionably has raised the stakes and thereby escalated the level of fighting in Kampuchea, where local support for the strengthened forces under Prince Sihanouk and Son Sann (whose nationalist reputations are impeccable) is growing. An increased level of hostilities in Kampuchea will inevitably entail increased refugee pressure on Thailand's border with Kampuchea.

More importantly, an escalation of fighting in Kampuchea and the growing effectiveness of Khmer resistance forces increase the danger that Vietnam may determine that the tactical military advantages to be gained by flanking maneuvers against resistance positions through Thai territory would be worth the diplomatic costs and risks. Precedent for such Vietnamese military thinking (thus far on a relatively limited scale) includes Vietnamese incursions at Mak Mun in 1980, Nong Chan in 1983, and most recently the more protracted incursion in Sisaket in April of 1984. Direct Vietnamese aggression against Thailand, entailing serious threats to Thai security interests, would inevitably involve Thailand's ASEAN partners, its American allies, and its Chinese friends. Intensification of hostilities in Kampuchea, similarly, could lead Hanoi to broaden its use of mycotoxins and other toxic weapons in Kampuchea.

Implications of the Tightening Soviet Embrace of Vietnam

Developments in 1983 and 1984 appear to signal a tightening of the Moscow-Hanoi axis. Moscow continues to provide assurances to Hanoi that it will not seek improved relations with China at the expense of Vietnam and, indeed, judging from the occasionally sharp rhetorical exchanges between Moscow and Beijing, progress in Sino-Soviet relations appears confined to trade and cultural contacts. Thus, Vietnamese apprehension over Soviet dependability, which clouded relations in 1982, appears to have dissipated in 1983-84. The signing of a Soviet-Vietnamese technical cooperation agreement in Hanoi on the fifth anniversary of the Soviet-Vietnamese Friendship pact, Le Duan's August visit to Moscow, and the phrasing of Vietnam's response to Soviet greetings to Vietnam on its National Day, which spoke of a "unity of strategic interests," suggest strongly that Hanoi's alliance with Moscow is tightening. As a corollary, it is also clear that Vietnamese dependence on the Soviet Union is increasing. Major long-term economic development projects dependent on Soviet (or Council for Mutual Economic Assistance, CEMA) import needs and growing Vietnamese dependence on CEMA credits for trade subsidization considerably strengthen Moscow's hand in Hanoi. The economic statistics alone are revealing: According to the party newspaper *Nhan Dan*, in 1983 "almost 100% of our oil needs, more than 90% of fertilizers and more than 80% of metallurgy products come from the Soviet Union."

Similarly and perhaps more fundamentally, Hanoi remains dependent on Moscow for military assistance, both to underwrite its occupation of Kampuchea and to guarantee its defense capability vis-à-vis China. Only the Soviet Union can provide Hanoi with adequate military assistance in an environment of continuing Sino-Vietnamese tension.

In return, Vietnam has given the Soviet Union access to base facilities at Cam Ranh Bay, the principal Soviet naval and air facility between the Soviet Far East and the Horn of Africa. The facility provides the Soviet Union with the capability to project its naval and air power into the South China Sea, Southwest Pacific, and the Indian Ocean as well as into the key waterways connecting the three.

In early 1984, Admiral William Crowe, Commander in Chief of U.S. forces in the Pacific, speaking in Bangkok, noted that Soviet forces at Cam Ranh Bay included two to four submarines, four to six surface vessels, and 10 to 12 support ships in addition to TU-95 Bear and TU-16 Badger reconnaissance and strike aircraft. The new Soviet aircraft carrier *Novorussisk*, deployed to the Pacific in 1983, appears destined to join the carrier *Minsk* in periodic calls at Cam Ranh Bay. Press reports in late

1983 to early 1984 note extensive new fortifications at Cam Ranh Bay along with improved communications and intelligence gathering facilities capable of coordinating reconnaissance flights in the region.¹ Soviet Naval infantry, reported as newly stationed at Cam Ranh Bay in battalion strength,² conducted several unprecedented coastal landing exercises along the Vietnamese coast in April 1984. Meanwhile, Soviet bilateral military assistance to Vietnam continues apace, with recent Soviet provision of new surface craft to the Vietnamese Navy.

The buildup of Soviet power and continued Soviet assistance to the Vietnamese military obviously assures Chinese focus on its own increasingly threatened southern flank and entails, inevitably, expanding Sino-Soviet rivalry in the region. Less obvious but equally destabilizing is the threat posed to the Southeast Asian states directly as a result of Soviet-Vietnamese military cooperation. In 1984-85, implications for ASEAN of this cooperation should become clearer: Increased Soviet military presence/capability in Vietnam and continuing military assistance to Vietnam raises the question of whether Moscow, in addition to guaranteeing Vietnamese security against China and underwriting the occupation of Kampuchea, also intends to back Vietnamese territorial claims in the South China Sea that are directed against four of its six ASEAN neighbors. Moscow's deep, exclusive involvement in the development and exploitation of oil and gas reserves off the South Vietnamese coast suggests an economic rationale for such an extension of Soviet backing for Vietnamese claims.

In assessing the fundamental dynamics in the Soviet-Vietnamese relationship, it is pertinent to note that after 1975 Hanoi stubbornly refused to accede to Soviet insistence that it be permitted to establish a consulate in Ho Chi Minh City. Only with the subsequent development of Vietnamese military and economic dependence on the Soviet Union (largely a product of Sino-Vietnamese tension over Kampuchea) did Hanoi agree to the establishment of the consulate, and still later as its dependence grew, to the Soviet buildup at Cam Ranh and Da Nang. Hanoi's initial stubbornness on these points is persuasive evidence of the genuineness of Vietnam's desire to be independent of an overweening Soviet influence, a point that can not have been lost on Moscow. Moscow presumably recognizes, therefore, that a reduction in Sino-Vietnamese tensions would reduce the principal rationale for Vietnamese military depen-

1. John McBeth, "Build Up On The Bay," *Far Eastern Economic Review*, December 29, 1983, p. 18.

2. *Sankei Shimbun*, April 6, 1984.

dence on Moscow. Moreover, a general reduction of regional tensions, concomitant with a political solution in Kampuchea, could open up alternative and far more lucrative economic relationships for Hanoi with Japan, the West, and its regional neighbors. To the extent that a reduction in regional tensions (through a Kampuchean settlement) would reduce Vietnamese dependence on Moscow, and thereby reduce Soviet leverage in Vietnam, Moscow's current posture of appearing to seek a reduction in tension in the region (notably absent of any concrete steps in service of the alleged objective) must be seen as suspect. While the costs to the Soviets entailed in underwriting Vietnam's adventure in Kampuchea are high, the dividends that this investment has thus far yielded, namely, an air-naval base of decisive strategic importance, seem to make the investment an eminently prudent one for Moscow.

Implications for Regional Security Posed by Instability in Vietnam

Finally, while the number of refugees fleeing Vietnam is down from the totals after 1975, this statistic appears to no more indicate a lessening of hardship or a relaxation of repression in Vietnam than the tapering off of refugee flow from Pol Pot's Kampuchea in 1977-78 meant an end to brutality there. Improved coastal and border patrolling was and is a more credible explanation in both instances.

While reasonably good 1982 and 1983 production figures, particularly in food production, appear to signal a bottoming out of the severe economic decline that gripped Vietnam after 1978, overall economic indices continue to show very limited economic expansion with little prospect that Vietnam will be able to narrow the gap in living standards or in the rate of development that separates Vietnam from all of its free-market neighbors in ASEAN. The Vietnamese people remain one of the most poorly nourished peoples in Asia. Moreover, medical care (except for party and government cadre and their families) is chronically inadequate.

While Vietnamese trade with CEMA grew in 1983, this trade does not earn for Vietnam the foreign exchange it needs to meet its crushing debt burden to Western lenders. Rather, it siphons off Vietnamese exports from potential Western (hard currency) markets. High-quality Vietnamese carpets and lacquerware is sold in Moscow for rubles (frequently at reduced prices). The same merchandise would fetch handsome prices in hard currency in London, Paris, Tokyo, or New York. (In 1982, only an estimated 25% of Vietnam's trade was with hard currency areas. The figure for 1983 does not appear to have been appreciably different.) Vietnam's continued occupation and colonization of Kampuchea appears

likely to preclude any end to Vietnam's protracted estrangement from sources of Western and international organization aid and credits.

Even limited Vietnamese economic success in 1982 and 1983 appears less impressive when considered from the perspective of the country's rapid population growth, estimated at 2.4% in 1983.³ The announced government intention to reduce population growth to 2.1% in 1984 and to 1.7% in 1985 seems hopelessly unrealistic (barring a massive expansion of the colonization undertaking in Kampuchea).

Finally, among the economic burdens bearing down on the Vietnamese people is the cost of the war itself in financial terms (estimates suggest as much as 50% of the state budget may be devoted to the Kampuchean effort), and in terms of the diversion of scarce resources such as fuel, transport, and skilled medical, administrative, and other cadre.

In addition to a heavy economic burden, retribution and repression in Vietnam (and in Laos and Kampuchea) at the hands of the victorious forces continues as evidenced by the continuing incarceration in Vietnam of over 100,000 political prisoners⁴ (religious leaders, lawyers, journalists, and civilian and military cadre of the Saigon government) in a "reeducation camp" gulag characterized by conditions ranging from health-endangering to life-threatening.

Other pressures on the Vietnamese people include renewed pressure on the business community in Vietnam, the resumption of coerced relocation of urbanites into "New Economic Zones," and the settling of Vietnamese into lands belonging to Montagnard tribesmen. These domestic pressures, deriving from economic and social control policies implemented by Hanoi largely as a consequence of or in service to its ambitions in Indochina, generate conditions conducive to refugee flight and resistance, a traditional formula for instability in Southeast Asia.

Conclusion

Those who oppose Hanoi's colonial/imperial aims in Indochina have taken comfort in the refrain that time is not on Vietnam's side. The measurable strengthening of the Khmer resistance and the moribund state of the Vietnamese economy indeed suggest that Hanoi has nothing to gain by further deferring a settlement in Kampuchea. But by the same token, as the destabilizing consequences arising from Hanoi's course

3. Paul Quinn-Judge, "A Non-Industrial Revolution," *Far Eastern Economic Review*, February 2, 1984, p. 46.

4. Author's research among refugees in Southeast Asia conducted with the assistance of Dewey Pendergrass, Second Secretary at the U.S. Embassy in Bangkok (1981-82).

impact ever more heavily on the region in the form of increased security and refugee problems for Thailand, growing Soviet military presence in the region, and increasing pressures within Vietnam that generate refugees and resistance activity, it appears increasingly clear that neither is time on ASEAN's side. Only the Soviet Union, whose presence in Vietnam would appear still to be incubating, and China, apparently still intent on "bleeding Vietnam white," would seem to have vested interests in a protracted conflict.

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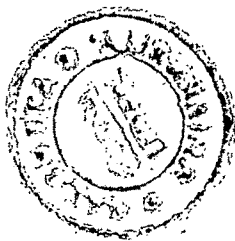
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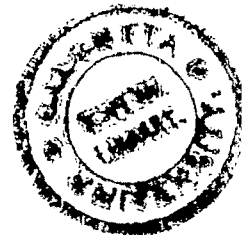
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The Mousetrapping of Hong Kong

A Game in Which Nobody Wins

Chalmers Johnson

The term "NIC," pronounced "nick" and meaning "newly industrialized country," entered the vocabulary of international politics and economics during the 1960s and 1970s. It referred to the astonishing performances of the East Asian capitalist developmental states—namely, Hong Kong, Singapore, Taiwan, and South Korea. All four were characterized by relative political stability, complex combinations of quasi-authoritarian politics and capitalist economics, very high-speed economic growth, equitable distributions of income, and high levels of education. In the space of two decades these four NICs achieved the highest per capita incomes in East Asia, exceeded only by Japan. During 1982, per capita GNPs (in U.S. dollars) of Japan, the NICs, and the People's Republic of China (PRC) were: Japan \$9,684; Hong Kong \$5,390; Singapore \$5,220; Taiwan \$2,587; Korea \$1,720; and the PRC c. \$300.¹

However, by mid-1984 Hong Kong was in serious trouble. The term "NIC" still applied, but it had become clear that a new term referring specifically to Hong Kong would soon be needed. Within the category of NICs, Hong Kong was in the process of becoming what I propose to call a "CRIC"—a "collapsing recently industrialized country." Hong Kong's transition from NIC to CRIC was due entirely to its having been mouse-trapped by modern Chinese history. From 1982 to 1984, Hong Kong allowed its future to become entwined with the passions of Chinese

Chalmers Johnson is the Walter Haas Professor of Asian Studies in the Department of Political Science, University of California, Berkeley. This article was originally prepared for presentation to the Thirteenth Sino-American Conference on Mainland China, June 11–17, 1984. The author also wishes to express his thanks to Julia Hicks and several other individuals in Hong Kong for research assistance; the views expressed in this article of course remain strictly his own.

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1. Japan Institute for Social and Economic Affairs, *Japan 1983: An International Comparison* (Tokyo: Keizai Koho Center, 1983), pp. 1, 9.

nationalism, above all with the emotional goal of "unification of the motherland," and it soon discovered that the entry of these symbols into the discussion meant that Hong Kong itself had no future at all. Even the PRC, as we shall see, *may* have wanted to avoid negotiating over Hong Kong in terms of the unification of the motherland, but once that idea had intruded itself into the discussion, there was no way to avoid the trap. The heritage of China's victimization by Western imperialism is still so potent that whenever it becomes an issue in current politics, the outcome is virtually foreordained regardless of whether that outcome damages every party's interests. It was an error to let the past dictate the future in the case of Hong Kong, but this error contains an even more serious warning for Taiwan, the largest by far of the three great NICs built by the overseas Chinese: There is no way to win a direct fight with Chinese nationalism. If one cannot command the nationalist issue, then it must be finessed or avoided.

Hong Kong, it must be understood at the outset, is not really a British colony. It is a Chinese city-state that has found it profitable and expedient to sail under a flag of convenience, rather like an American or a Japanese or a Hong Kong ship registered in Liberia or Panama. The British themselves have long acknowledged Hong Kong's anomalous status. Queen Elizabeth, in her June 22, 1983, speech that opened parliament (written for her by Prime Minister Thatcher's government), clearly distinguished among the cases of the Falklands, toward which Britain has "obligations"; Gibraltar, toward which Britain has "commitments"; and Hong Kong, toward which Britain has "aims." The Labour Party has long wanted to be rid of Hong Kong, which it regards as an economic competitor to British industry, and Mrs. Thatcher's government faces no domestic political or popular pressure from any quarter to achieve a particular outcome in the negotiations over Hong Kong.

One reason why Hong Kong should not be regarded as a British colony is that there are virtually no British colonialists there. The territory's population is 98% Chinese. In fact, Britain's true interest in Hong Kong is best revealed by the several United Kingdom nationality acts and regulations going back to 1951, the most recent of which came into effect on January 1, 1983. They deny British citizenship and therefore rights of settlement in the United Kingdom to *natives* of Hong Kong as well as to the many Chinese immigrants to the territory who have only residence permits. What Britain most wants to avoid is a reverse colonization of the British Isles by Hong Kong Chinese. Even the PRC agrees that Hong Kong is not a colony. In March 1972, as one of its first acts after being seated in the United Nations, Beijing requested that the

U.N.'s Special Committee on Colonialism delete Hong Kong and Macao from its list of territories for which independence should be sought.

Hong Kong is a member of that class of cities and territories whose *de jure* status is irrelevant in comparison to their *de facto* functions. Such places often occupy niches adjacent to larger nations or groups of nations, and they come into being to accomplish important tasks or to relieve significant pressures that their larger neighbors find useful but that their legal rigidities or ideological pretensions prevent them from acknowledging. Examples include historical ones such as Trieste and Danzig, Beirut before 1975, present-day Miami, Monaco and Las Vegas, Bermuda and the Cayman Islands, and of course the oldest continuous regime in East Asia, Macao, which dates back to the 16th century.²

Hong Kong was not built by the British any more than Taiwan or South Korea was built by the Japanese. Both Hong Kong and Taiwan were built by Chinese exiles and emigrants from the PRC (joined, in the case of Taiwan, by a large local population that does not want "unification with the motherland"). Hong Kong has a 140-year history as a British trading post, but its significant history dates from 1949, when the communists conquered the mainland, and from 1951, when the United Nations imposed an embargo against trade with the PRC because of its actions in the Korean War. Hong Kong then began to serve its three great functions: first as a place of refuge for Chinese fleeing the communists, second as a major source of hard currency earnings for mainland Chinese exports that could not be sold in such quantities anywhere else (such things as Chinese foodstuffs, medicines, and water), and third as a financial and manufacturing center serving the entire Pacific Basin and the rest of the world. During 1982 all three roles were as important as they had ever been over the previous thirty years. It is sometimes forgotten that between 1977 and 1980, well into the period of China's post-Mao reforms, more than 400,000 people from the mainland nevertheless entered Hong Kong to live and work. The ending of Hong Kong's ability to perform its true functions will have enormous consequences not just for the people of Hong Kong but for all the nations of the Pacific Basin.

What do I mean when I say that Hong Kong has been mousetrapped by Chinese history? On June 25, 1983, in a meeting in Beijing with deputies from Hong Kong and Macao to the National People's Congress

2. For a brilliant treatment of the history of Macao's and Hong Kong's ambiguous sovereignty, see Austin Coates, *A Macao Narrative* (Hong Kong: Heinemann, 1978), pp. 84-107.



(and well after Mrs. Thatcher's historic visit), Deng Xiaoping responded to a question about why he could not just maintain the status quo in Hong Kong by saying, "If I agree to prolong the lease, I will become the second Li Hongzhang."³ In an entirely different context, on August 15, 1983, Communist Party General Secretary Hu Yaobang commented to a group of Japanese newspaper executives, "We consider the so-called three Hong Kong treaties to be unequal. But it is a fact that the treaties exist. Moreover, it is clearly written that the expiry date is June 30, 1997. Therefore, we do not intend to bring forward or postpone this date. We will recover Hong Kong on July 1, 1997. As far as China is concerned, our attitude is one of respect for history."⁴

It must be noted that this "respect for history" is highly selective. The history that Hu and other Chinese leaders regard as relevant is the history of the three treaties—Nanking (1842), the Convention of Peking (1860), and the 99-year lease dating from July 1, 1898, each of which was a watershed in the Qing dynasty's 19th century encounters with Western imperialism. The history that does not interest the current leaders in Beijing is how Hong Kong has developed since 1950, and the PRC's own sorry record of harebrained experiments with economic development and social control, each of which fueled more emigration into Hong Kong. Similarly, it may be noted that PRC leaders also lean very selectively on history in their claims to Taiwan—stressing the island's cultural unity with the mainland but ignoring its remarkable achievements since the end of the Japanese occupation.

It is hard to imagine that any Chinese or foreigner would characterize Deng Xiaoping as a second Li Hongzhang, so why did Deng raise the comparison? We do not know, but there are at least three plausible explanations, any one or a combination of which would be decisive: (1) Prime Minister Thatcher broached the question of the treaties with Deng and no Chinese political leader could afford merely to let the matter pass; (2) Even though Deng and other economic reformers have

3. "Deng Answers Queries on Hong Kong's Future," *Pai hsing* (Hong Kong), No. 52 (July 16, 1983), in *FBIS*, July 21, 1983, pp. W1–W4. The fear of becoming "a second Li Hongzhang" appears in many mainland comments on Hong Kong. See, e.g., *Pai hsing*, No. 32 (September 16, 1982), in *FBIS*, September 24, 1982, pp. W3–W9. Li Hongzhang (1823–1901) was a prominent reformer, diplomat, and statesman during the last decades of the Qing dynasty. His actions in leasing the New Territories to Great Britain during the so-called concessions scramble were more a reflection than a cause of China's humiliations in the 19th century. See, inter alia, Immanuel C. Y. Hsü, *The Rise of Modern China*, third ed. (New York: Oxford University Press, 1983), pp. 348–355.

4. Hong Kong *Wen Wei Po*, as discussed in *Far Eastern Economic Review* (hereafter *FEER*), August 25, 1983, p. 14.

strong incentives not to disturb the status quo in Hong Kong, they are vulnerable to charges of being "soft on nationalism" in internal political conflicts; and (3) Chinese nationalism is being used as a conscious tactic by the PRC in order to defuse the "public opinion card" (the Communist press's term for a possible mobilization of Hong Kong mass sentiment against a British transfer of sovereignty to the PRC) and in order to soften up Taiwan, which is the ultimate target of the Hong Kong campaign. Each of these elements requires further discussion.

It is possible that Deng would have preferred to avoid any mention of the treaties in talking about the future of Hong Kong. He knows full well that from 1949 to 1982, during much of which he himself was a high policy-making official in the mainland government, the PRC consistently maintained the anomalous statuses of both Hong Kong and Macao for its own good and sufficient reasons. In 1974, at the time of the Portuguese revolution, Beijing turned down Portugal's offer to return Macao and the following year signed a treaty with Portugal establishing China's sovereignty but Portugal's administration of the territory.

The PRC's reasons for tolerating separate enclaves on its southern borders have been primarily economic. During the 31 years between 1950 and 1980, mainland China's overall foreign trade balance was in deficit for only 12 years. But if trade with Hong Kong is excluded from the calculation, the PRC would have recorded substantial deficits for 24 of the 31 years. As Y. C. Jao puts it, "Broadly speaking, China is using its trade surplus with Hong Kong to finance its deficits with other countries."⁵ Table 1 summarizes China's economic stake in the Hong Kong market.

Hong Kong's value to China's economic modernization is greater today than at any time during the past three decades. Jao concedes that the loss of revenues from Hong Kong would not be fatal to the PRC's modernization, given the absolute size of the Chinese economy, but it would certainly "represent a disastrous setback."⁶ Why then should Deng Xiaoping, the leader of the current economic modernization effort, worry about being called a Li Hongzhang when no one ever raised the charge against Mao Zedong or Zhou Enlai in earlier years? During 1982 and early 1983, most people in Hong Kong regarded the answer to this question as so obvious, particularly in the current era of mainland "reform," that they believed Hong Kong's future was secure. This view

5. *FEER*, January 20, 1983, p. 39.

6. Y. C. Jao, "Hong Kong's Role in Financing China's Modernization," in A. J. Youngson (ed.), *China and Hong Kong: The Economic Nexus* (Hong Kong: Oxford University Press, 1983), p. 60.

TABLE 1 *PRC Net Foreign Exchange Earnings From Hong Kong (millions US\$)*

	1977	1978	1979	1980
Trade surplus	1,741.4	2,259.5	3,034.1	4,407.2
Remittances	394.9	477.3	562.9	673.7
Tourism	223.5	367.5	819.4	951.8
Investment profits	367.8	461.0	609.9	824.9
Total	2,727.6	3,565.3	5,026.3	6,857.6
Percentage of total PRC foreign exchange earnings	29.3	31.7	31.8	36.5

SOURCE: Y. C. Jao, "Hong Kong's Role in Financing China's Modernization," in A. J. Youngson (ed.), *China and Hong Kong: The Economic Nexus* (Hong Kong: Oxford University Press, 1983), p. 58.

came to be known locally as the "doctrine of the sweet peaches." Huang Chin-ming explains: "Whether Hong Kong can maintain the status quo depends on whether the people of Hong Kong can continuously produce 'peaches' which are to the liking of their masters, and feed them with these peaches one by one."⁷ Ironically enough, during 1982 Hong Kong even gave Britain a sweet peach in the form of a HK\$20 million contribution to the welfare fund for families of soldiers killed in the Falklands war.

Why hasn't this theory of clear economic interest held up? There are several reasons, all interrelated, but separable for purposes of discussion. First, the efforts at economic development in the PRC may not have as high a priority as is commonly supposed outside of China. The relaxation of economic controls is surely aimed as much at refurbishing the political legitimacy of the Communist Party as at seriously promoting sound economic growth. Even Donald Zagoria, in a highly optimistic survey of Deng's reforms, concedes, "There is still no coherent strategy [in the PRC] for combining plan and market and the problems of running a mixed system are bound to be enormous."⁸

Closely related to this point, the leaders in Beijing seem to be seriously misinformed about the Hong Kong economy and its socio-political

7. Huang Chin-ming, "Hong Kong at its Historical Turning Point," *Pai hsing*, No. 32 (September 16, 1982), in *FBIS*, September 24, 1982, p. W8.

8. Donald S. Zagoria, "China's Quiet Revolution," *Foreign Affairs*, 62:4 (Spring 1984), p. 895.

foundations. There is ample evidence of such Beijing myopia. For one thing, most senior leaders in Beijing (as distinct from lower-level analysts in the research institutes) appear to get most of their information on Hong Kong from reading the Hong Kong communist press. Needless to say, the *Ta Kung Pao* and *Wen Wei Po* serve up their own versions of sweet peaches. For example, Fei Yiming, the well-known publisher of the Hong Kong *Ta Kung Pao* and a member of the Standing Committee of the National People's Congress (NPC), recently wrote: "Did some people not say that the Chinese could not rule Shanghai well? Facts have shown that the Chinese are completely capable of ruling Shanghai well. Since they can rule Shanghai well, they can also rule Hong Kong well."⁹ Fei, a long-time resident of Hong Kong, knows this is nonsense. Until the death of Mao, Shanghai was either the scene of Red Guard pogroms or a ghost town, and as poorly run a place as there was on earth. In fact, Hong Kong is living testimony to what Shanghai might have been if it had not been ruled by the communists. Fei is of course correct that the local Chinese are able to rule Hong Kong quite effectively, but his reference points should have been Singapore and Taipei, and not Shanghai. The question is: Do his readers in Beijing know that?

Other evidence of the PRC's misunderstanding can be found in its repeated references to mainland "aid" for Hong Kong's prosperity. The following extract from Xinhua (Beijing) is typical:

In mid-May last year [1982], transportation on some sections of the Beijing-Guangzhou railway was disrupted by floods. Even so, supplies to Hong Kong continued thanks to the efforts made by inland provinces. For instance, Hunan and Jiangxi provinces rushed pig supplies to Hong Kong by road; Shandong and Liaoning provinces shipped cattle on the hoof by sea; while Guangdong and Fujian provinces and Guangxi Autonomous Region also shipped supplies of fresh but perishable goods. As a result, although the Beijing-Guangzhou railway service was suspended for about two weeks, supplies of daily necessities for Hong Kong were not affected. It is obvious that without the uninterrupted supply of daily necessities from the Chinese mainland at stable prices for years, Hong Kong's inflation would have been worse and its cheap labor market would have lost its material basis.¹⁰

In the same vein, Cao Weilan, the deputy director for economic affairs of the Hong Kong office of Xinhua News Service (the PRC's de facto consulate in Hong Kong), recently went on at length about "China's sacrifices to help maintain Hong Kong's prosperity and stability," his

9. *FEER*, December 3, 1982, p. 13. Also see *ibid.*, March 8, 1984, p. 24.

10. "All-out Support of Chinese Mainland Crucial to Hong Kong's Prosperity," Xinhua (Beijing), September 24, 1983, in *FBIS*, September 26, 1983, p. E2.

main examples being mainland investments in Hong Kong (from which it earns interest) and "the supply of Hong Kong's toilet paper!"¹¹

Perhaps the best example of the air of unreality in PRC comments on Hong Kong is the ongoing war of words over whether horse racing and mahjong would be permitted after reversion. At first, horse racing was said to be "an unhealthy colonial activity and will be banned"; then Liao Chengzhi said it was all right so long as the word "Royal" was removed from the title of the Royal Hong Kong Jockey Club at Happy Valley.¹² Even when Beijing's pronouncements are apparently intended to reassure the people of Hong Kong, virtually all of them have a quality of blandness and generality that seems to worry the residents more than silence. Margaret Ng, perhaps the most astute commentator on the scene, has often wished aloud that the mainland government would quit saying "Don't worry," since that worries her more than anything else they say.¹³

It is possible that Deng and his colleagues do not understand the Hong Kong economy, overestimate their ability to run it, and are misinformed about it by their own minions. Still, none of these seems a sufficient reason to have overturned the PRC's thirty-year-old policy of keeping hands off Hong Kong while profiting from its prosperity. Let us turn therefore from consideration of the economic connection to how, precisely, the fear of being labeled a Li Hongzhang arose. One line of speculation, for which there is some evidence, is that during 1982 Deng had no fixed policy on Hong Kong but was reacting to a badly misconceived opening shot by Margaret Thatcher.

In May 1982, in preparation for the Thatcher visit in September, Humphrey Atkins, deputy to then British Foreign Secretary Lord Carington, observed that the initiative in the Anglo-Chinese talks about 1997 came from the British side. "The Chinese," according to Atkins, "are addressing their minds to the problem. They gave me to understand they will be studying the line they should take. . . . They don't have a decided position on Hong Kong. They did not give any assurances beyond the fact that the particular attributes of Hong Kong, its free port and its centre of business and commerce and trade, were going to be

11. *FEER*, August 18, 1983, p. 12. Also see *ibid.*, March 8, 1984, p. 24.

12. *Pai hsing*, no. 32 (September 16, 1982), in *FBIS*, September 24, 1982, p. W5; *South China Morning Post*, November 29, 1982, pp. 1, 30; "Liao Chengzhi on Hong Kong People Ruling Hong Kong," *Wen Wei Po*, November 22, 1982, p. 2.

13. Margaret Ng (Wu Ai-i), "The Second Stage of Anglo-Chinese Talks," *Ming Pao*, July 14, 1983, p. 17.

taken very much into account."¹⁴ In this view, the British government, with the strong backing of the Hong Kong Chinese establishment, undertook to negotiate Hong Kong's future in 1982 because the timing seemed especially propitious. There was a Tory government in London, Mrs. Thatcher had just fought and won the Falklands war, Deng Xiaoping seemed to be at the peak of his power, and China had launched a major campaign of economic reform and opening to the democracies. The conditions seemed perfect to negotiate a *perpetuation* of British administration in Hong Kong after the lease expired.

What went wrong was a combination of bad luck, poor summit preparations, and sheer incompetence. In her visit to Beijing in September 1982, Mrs. Thatcher adamantly supported the legality of the 19th century treaties, and she even went so far as to characterize the history of Anglo-Chinese relations as one in which "cultural and scientific contact went from strength to strength through the 19th and early 20th centuries." One imagines that she had never heard of the mainland activities of Lord Elgin, "Chinese" Gordon, or Sir Robert Hart. Roy Jenkins, leader of the Social Democratic Party, seemed to utter no more than the simple truth when he said that Thatcher had provoked a "pointless, premature, and potentially damaging argument."¹⁵

According to this line of reasoning, the Iron Lady tried to mousetrap Deng but succeeded only in tripping herself. Deng had no choice but to contradict her views. Xinhua hardly let her get out of Beijing before it started the counterattack:

It must be pointed out that these treaties which involve the Hong Kong area were products of British imperialism's 'gunboat policy' and invasion of China in the 19th century. These treaties, which were forced on the Chinese people, provide an ironclad proof of British imperialism's plunder of Chinese territory. The Chinese people have always held that these treaties are illegal and therefore null and void. . . . Whoever today tries to cling to these unequal treaties will only awaken the memories of the British imperialist invasion of China in the minds of the people in China, Britain, and the whole world.¹⁶

Xinhua's blast is of course the standard Chinese version of their 19th century history. There is nothing communist about it. Every Chinese schoolchild born in the 20th century has read it; and the authorities on Taiwan could hardly take exception to it, since it is also *their* version.

14. *FEER*, May 21, 1982, p. 24.

15. For the Thatcher and Jenkins statements, see *ibid.*, October 8, 1982, p. 9.

16. "China's Stand on Hong Kong Issue Is Solemn and Just," Xinhua (Beijing), September 30, 1982, in *FBIS*, October 1, 1982, p. E1.

Indeed, shortly after the Thatcher trip, the *Far Eastern Economic Review* quoted David Chou, deputy director of the Institute of International Relations in Taiwan, as saying, "Every Chinese would like to see the end of colonialist rule in Hong Kong."¹⁷ Thus Mrs. Thatcher had unintentionally predicated the negotiations about Hong Kong on the worst possible basis. She had made Hong Kong a touchstone of Chinese nationalism. Whether Deng was irritated or pleased by this turn of events is a subject to which we shall return, but it is clear that he could not let the insult pass.

There is a variation on this argument. It belongs to our second category of explanations of how Hong Kong got caught up in the "unification of the motherland" mousetrap. This view emphasizes that Deng and his associates in Beijing were preoccupied with other matters during 1982. Their major concerns were with reform of the party, replacing the old guard with younger leaders, and removing the last vestiges of Maoist institutions. The big event of the year for Deng was the 12th Congress of the Chinese Communist Party, September 1-11, 1982, in which he did not do nearly so well in the inner-party infighting as he had hoped. Equally important, Deng's opponents had been sniping at him for months over his handling of the arms-sales-to-Taiwan issue with the Americans and the textbook controversy with the Japanese. The timing of Thatcher's visit, September 22-25, thus was not nearly as propitious as foreign journalistic opinion suggested. What Deng did not need at this time was another "national prestige" issue (as well as a possible opening for his internal enemies), particularly one like Hong Kong, which if mishandled could do serious damage to the regime's economic development plans.

Nonetheless, Mrs. Thatcher arrived and started talking about the validity of the unequal treaties. Even if Deng had agreed with her that they were all valid, Hong Kong would still have lost 89% of its territory in 1997 according to the terms of the third treaty. It was a subject that should never have been mentioned. But once Thatcher raised the issue, Deng had to move at once to seize the high ground before his opponents could use it against him. According to this view, the real issue is not unification of the motherland but factional politics in Beijing, in which conflicting claims of patriotic purity are important weapons for both Deng and his opponents. As soon as Deng and Thatcher started talking about the legality of the treaties, all rationality about the future of Hong Kong and its usefulness to China flew out the window.

There is, however, a third possibility. From the moment Mrs. Thatcher

17. November 12, 1982, p. 72.

visited Beijing, the PRC launched a full-blown, well-coordinated campaign of united front tactics aimed at accomplishing several things. These were to acquire Hong Kong on its terms, to elicit British cooperation, to prevent internationalization of the issue, and, above all, to keep the local population docile and divided. This suggests that Beijing's strategy toward Hong Kong is part of a larger, high-priority foreign policy to associate the communist regime with Chinese nationalism and to bring Taiwan under its control. Some foreign observers believe that economic modernization is the top priority of the mainland regime and that this priority will cause it to modify its campaign to "unify the motherland."¹⁸ The evidence from Hong Kong indicates precisely the opposite: that the regime is prepared to pay the price in terms of economic setbacks so long as it can prevail in moving toward its main goals. Hong Kong is thus not a secondary issue; it is part of the primary PRC foreign policy strategy. What happened there and how it happened offers clues to what is in store for Taiwan over the coming years.

Despite thirty years of analysis, foreign observers of Communist China still seem not to understand a united front campaign or to recognize one when it occurs. This myopia is, of course, one of the goals of such a campaign: the camouflaging of the regime's real foreign policy aims behind a façade of spontaneity and popular support. Some of the key elements of a united front campaign are:

1. The creation and use of front organizations and personalities in the target area.
2. The creation of a panoply of vague but plausible-sounding slogans and the use of them to avoid spelling out the PRC's true policies.
3. Mobilization of the PRC's propaganda apparatus to attack and undermine the positions of the regime's current negotiating partner and to isolate him.
4. Exploitation of rules agreed on in advance (e.g., secret negotiations, no publicity) in order to put the negotiating partner on the defensive.
5. "Gong banging"—that is, going public with "non-negotiable demands," making unilateral statements, manipulating the foreign press, controlling the agenda, involving the highest and most newsworthy per-

18. For example, Donald Zagoria: "A China committed to reform will also continue to be a China with a strong interest in peace and stability abroad—because a reforming China needs a peaceful and stable international climate. Such a China is also more likely to be less xenophobic and therefore more pragmatic on some of the currently most sensitive national issues such as the future of Taiwan and Hong Kong." "China's Quiet Revolution," p. 903.

sonalities of the regime even though they are not participants in the negotiations, and setting deadlines.

6. Use of side-deals and carrot-and-stick ploys—e.g., offers of expanded trade with the PRC in return for cooperation, sensitivity to the career interests diplomats have in successful negotiations, promises to third parties in order that they not support an ally, and assistance to foreign political leaders in reelection campaigns via visits to the PRC.

Each of these elements occurred in the united front campaign aimed at Hong Kong. The PRC's use of "people-to-people" diplomacy and news leaks outside the agreed negotiating forum are detailed in Table 2 at the end of this article. Despite the formal secrecy of the Anglo-Chinese negotiations, the PRC's rock-bottom position became known as early as October 1982.¹⁹ The elements are: (1) recovery of *both* sovereignty and administration over Hong Kong (i.e., nonacceptance of the Macao formula); (2) special administrative region status for Hong Kong after 1997 under article 31 of the PRC constitution of 1982; (3) "Hong Kong people rule Hong Kong" (*gangren zhigang*) but with no details released about how this is actually to work; and (4) promises of no basic changes in local socioeconomic patterns for "a long time," perhaps as long as fifty years. Even though Hong Kong analysts knew of this position from the beginning, the regime took great care to introduce it slowly, piece by piece, and to make it appear that it represented only a reasonable response to extreme British positions.

For their part the British began with the belief that they could negotiate an extension of the lease, thereby perpetuating the status quo into the next century. They held to this position from September 1982 until about June 1983, while the Chinese blasted them as imperialists and colonialists and denounced Mrs. Thatcher as a "stinking woman."²⁰ With the start of the so-called second phase of negotiations in July 1983, the British gave up on trying to maintain the status quo and sought instead to achieve the Macao solution—i.e., Chinese sovereignty (*zhuanquan*) but British administration (*zhiquan*). The adoption of this line by the British led to the high tide of the Chinese united front campaign. For three months Beijing and the local Hong Kong leftist press hammered away at the national humiliation involved in the British proposal; local leftist

19. See Lu Keng, "Hong Kong Self-Rule by the Hong Kong People," *Pai hsiung*, no. 34 (October 16, 1982), pp. 12–15, in *FBIS*, October 28, 1982, pp. W1–W4. This article contains the PRC's bottom-line position, the one the British agreed to in late 1983.

20. *Cheng Ming* (Hong Kong), No. 61 (November 1, 1982), pp. 16–17, in *FBIS*, November 5, 1982, p. W1.

personalities declared it insane; and a steady stream of visitors to Beijing (including former British prime minister Edward Heath, whom Mrs. Thatcher had defeated) were told how unreasonable it was. The culmination of this phase was "Black Friday" and "Black Saturday," September 22 and 23, 1983, when the Hong Kong dollar hit its all-time low of HK\$9.55 = US\$1. Beijing accused the British of playing the "economic card" (*jingji-pai*) and adamantly rejected the idea that the flight of Hong Kong currency might reflect a loss of confidence by the people of Hong Kong. Nonetheless, it was subsequently revealed that one of the biggest buyers of U.S. dollars during the panic was the PRC's own local agent, the Bank of China, which was trying to protect its hard currency earnings.²¹ In the middle of this period, the PRC announced that if there was no agreement by September 1984, it would proceed unilaterally to announce its own plans for Hong Kong.

By November 1983 the British threw in the towel. The Chinese propaganda campaign immediately ceased, and cordiality returned to the negotiating sessions in Beijing. The negotiations continued but now with the British simply trying to nail down a few details of *gangren zhigang* or otherwise find a fig leaf to cover their withdrawal. On April 20, 1984, in Hong Kong, British Foreign Secretary Geoffrey Howe announced what everyone had known for six months: "The terms of an agreement have yet to be worked out, but it is right for me to tell you that it would not be realistic to think of an agreement that provides for continued British administration in Hong Kong after 1997."²² To some observers it all seemed very reminiscent of the 1973 negotiations between Washington and Hanoi over the fate of South Vietnam.

There were many interesting facets to the Hong Kong negotiations that can only be briefly mentioned here. One is that the British apparently never threatened to break them off even though their position was hopeless from the start; this eagerness to be agreeable of course gave the upper hand to the other side. Another is the eerie silence maintained throughout the whole period of negotiations by Hong Kong's two biggest foreign investors, the United States and Japan. There is some evidence that the PRC privately assured them they would profit from a British withdrawal.²³ A third curious item was the highly publicized visit

21. *Renmin Ribao*, September 24, 1983, p. 4, in *FBIS*, September 27, 1983, pp. E1-E3; *FEER*, October 6, 1983, p. 20; Beijing Xinhua, September 22, 1983, in *FBIS*, September 23, 1983, pp. E2-E5.

22. *Los Angeles Times*, April 21, 1984; London *Economist*, April 21, 1984. Also see the *Economist*, April 7, 1984, pp. 17-18.

23. London *Economist*, November 12, 1983, p. 92.

during August 1983 of Xu Jiatur, ex-governor of Jiangsu and the new director of the NCNA bureau in Hong Kong, to the notoriously seedy enclave in Hong Kong's New Territories known as the Walled City of Kowloon. This is an area of disputed sovereignty under the 1898 lease, but if Xu meant to hold it up as an example of Chinese administration, his case was even more embarrassing to the PRC's cause than Fei Yi-ming's reference to Shanghai.²⁴

There is, however, one element of the negotiating process that must be dealt with in detail since it concerns the interests of the people of Hong Kong—and, by extension, the interests of the people in other overseas Chinese communities such as Taiwan. In Hong Kong, this issue came to be known as the problem of the "three-legged stool." During September 1982 Mrs. Thatcher played into Chinese hands by allowing the initial talks to dwell on the treaties, but she also did one other thing that worried them a great deal. She said publicly that any Anglo-Chinese agreement on Hong Kong had to be acceptable to three different parties: the PRC government, the British parliament, and the "people of Hong Kong." She and later British spokesmen used the metaphor of a three-legged stool—if any one of its legs was not sturdy, the stool would collapse. As it turned out, this issue of the consent of the Hong Kong people, or, more precisely, the likelihood that if genuinely consulted (e.g., via a plebescite) they would turn down any agreement that the PRC found acceptable, was virtually the only real negotiating chip that the British ever had. They never used it, largely because the PRC devoted so much attention to attacking it and to dividing Hong Kong public opinion.

One problem emerged at once and still exists. Although Mrs. Thatcher promised to consult the people of Hong Kong, virtually no official institutions exist that make it easy for her to do so. As Evan Luard wrote in 1962 on the history of Hong Kong:

Although in time Chinese unofficial members were nominated for the Legislative Council and the Executive Council, the Chinese population in practice were no more able, nor more eager, than their European counterparts to exercise any effective control over the way they were governed. The constitution of the island remains today in all essentials exactly what it was when it was introduced on the colony's establishment in 1843. The two councils are still, as then, controlled by official or nominated members.²⁵

24. On the background of the Walled City, see Evan Luard, *Britain and China* (Baltimore: Johns Hopkins University Press, 1962), pp. 180, 183. On Xu's visit, see *FEER*, August 18, 1983, p. 14; *South China Morning Post*, December 27, 1983.

25. Luard, *Britain and China*, p. 179.

Twenty years after these words were written the situation was only slightly changed with the addition of district boards and more unofficial members on the two councils. On February 24, 1984, however, a bombshell broke in the tiny apolitical world of Hong Kong when Robert Lobo, a senior unofficial member of the Legislative Council, demanded an open council debate on the Anglo-Chinese negotiations before a final agreement is signed. The PRC was quick to react. It does not want any form of democratic input into the negotiations. Liang Weilin, chairman of the Guangdong Provincial Chinese People's Political Consultative Conference (CPPCC), declared, "They can debate anything, past or present, local or foreign, from the southern sky to the northern land . . . but the Hong Kong issue is between the British and Chinese governments."²⁶

The greatest flap over the "three-legged stool" arose during the summer of 1983, when the second round of monthly negotiating sessions was started. The British added to their negotiating team Sir Edward Youde, the governor of Hong Kong and a former ambassador to Beijing. At a press conference on July 7, Youde responded to a question about whom he would be representing in the talks: "I am the governor of Hong Kong. . . . Indeed I represent the people of Hong Kong. Who else would I represent?" The Chinese Foreign Ministry gave its answer to this question the next day: "Mr. Youde will take part in the talks as a member of the British Government delegation. Therefore he can only represent the British Government in the talks."²⁷ The PRC also took action. It denied a visa to Beijing for Peter Tsao (Ts'ao Kuang-yung), the director of the Hong Kong Government Information Service, who was to have accompanied Youde. Tsao had already irritated the PRC by saying to a British newspaper in May that if Hong Kong's future involved coming under PRC sovereignty, he himself would emigrate. The British made no protest over these developments: Youde joined the team as a British government official, Tsao stayed in Hong Kong, and no representative of the people of Hong Kong has to date participated in the negotiations.

The PRC holds to the view that *it* is the representative of the people of Hong Kong, who are understood to be "Chinese compatriots." This claim, however, brings us to the most important issue in the whole Hong Kong dispute. We have some evidence on what the people of Hong Kong actually think. At least five different scientifically conducted public opinion polls have been taken between May 1982 and April 1983. One of the earliest polls found that "maintenance of the status quo" was the preferred solution for 70% of the population. A later poll, dating from

26. *FEER*, March 8, 1984, p. 26.

27. *Ibid.*, July 21, 1983, p. 12; *Xinhua*, July 8, 1983, in *FBIS*, July 11, 1983, p. E1.

April 1983, found 95% in favor of no change. Only 42% thought that Hong Kong's becoming a "special administrative region" of China was acceptable to them, and when the question was phrased as "returning Hong Kong to China," support fell to 26%. Perhaps most revealing is that "no fewer than 22 percent of those polled [in June 1982]—most of them in the 15–34 age group—would 'try every means to leave' if Hong Kong reverted to China, a figure that would translate, the poll organizers say, into 710,000 people seeking to leave."²⁸

Given this sentiment, it is not surprising that the PRC wants nothing to do with public opinion polls, Legislative Council debates, official or unofficial referendums, or any other form of what it calls the "public opinion card." More important, however, the communists have been very successful in countering and confusing public opinion. The essence of their tactics on this front is to identify themselves with "China," avoiding all mention of the Chinese Communist Party and characterizing their Chinese opponents as traitors to the lofty and idealistic goal of "reuniting the motherland." Margaret Ng offers the most incisive analysis of how this tactic has worked in Hong Kong:

Criticize "China" publicly as in any respect inferior to the West, however reasonable the criticism, and be prepared for a storm of bitter, loud, and rude protest. Associating something with "China" or "Chinese" has the power of turning any issue quickly into a highly emotive one. Turning on the cultural identity is like turning on a heavy smokescreen, making everyone argue in the darkness of non-reason. "Is self-administration for Hong Kong feasible?" is a question perfectly capable of a reasonable discussion. Turn it into "Is there any reason why Chinese people cannot govern Hong Kong as well as—or better than—the British?" and your discussion is doomed. Ask "Would you like to have the PRC govern Hong Kong in 1997?" and you may have a reasonable discussion. Ask "Should China have sovereignty over Hong Kong?" and even those who see this as meant to be a thinly shrouded version of a previous question will keep mum. The power of evoking the Chinese identification has been seen time and again, even within the past year, even apart from the 1997 question. . . . Anyone who does not recognize this identification as a great political weapon should have his head examined.²⁹

The PRC's adroit exploitation of this "great political weapon" has effectively prevented the formation of any kind of solidarity among the

28. *FEER*, August 20, 1982, pp. 14–15; *Chi-xi nien-dai yueh-kan* (The Seventies Monthly) (Hong Kong), June 1983, pp. 11–12; *ibid.*, July 1983, pp. 39–42; and D. K. Lewis, "The Prospects for Hong Kong," *Conflict Studies* (London), no. 142 (1982), pp. 17–19.

29. Margaret Ng, "Cultural Pride of the Hong Kong Chinese," *South China Morning Post*, August 25, 1983.

people of Hong Kong to try to influence their own fates. Decisions to stay in Hong Kong, to leave, to transfer assets abroad, or to prepare an escape route are being made privately, household by household, and not as part of any political protest. Even the communists have noted the phenomenon of Hong Kong millionaires visiting the PRC and publicly applauding reversion but then privately moving their funds out of Hong Kong as soon as they return home.³⁰ So long as the PRC can keep the population unmobilized and divided, it faces no real obstacles to its takeover plans. And the foreign powers, particularly the Anglo-American democracies, interpret such a lack of public outcry as an acknowledgment of the legitimacy of the PRC's claims, especially since it serves their interests vis-à-vis the PRC to do so.

What, then, are the people of Hong Kong actually doing about the future? For the most part, they are exploring what the "1997 industry" has to offer. This includes real estate forums sponsored by North American interests (usually with seminars on immigration requirements thrown in); working to get at least one member of the family established abroad in some capacity; agreeing to international marriages, a "thriving business" according to the London *Economist*; and transferring funds out of Hong Kong. According to one reliable estimate, net foreign-currency liabilities rose by HK\$7.6 billion during the first half of 1983 alone.³¹ Every new shock simply provides more business for the 1997 industry, the latest being the decision on March 28, 1984, by Jardine, Matheson to shift its headquarters to Bermuda. Ironically enough, Jardine's great competitor, Sir Pao Yue-kang, the shipping magnate, had already moved his business to Bermuda, *including* his joint ventures with the PRC.

Meanwhile, hundreds of PRC cadres are arriving in Hong Kong, easily recognized by their new Western-style suits, and many residents are preparing for the takeover. One interesting sidelight of the collapse of the Hong Kong real estate market has been a shift in demand within high-rise apartment buildings from penthouses or apartments with a grand view of the harbor to flats no higher than the fifth floor above street level. The reason, as an old friend explained to me, is 1997: "Have you ever seen a Chinese communist elevator that worked properly? Come 1997 we'll have to be able to walk up."

30. *Pai hsing*, no. 33 (October 1, 1982), p. 5, in *FBIS*, October 6, 1982, p. W2; *ibid.*, no. 52 (July 16, 1983), pp. 3-4, in *FBIS*, July 21, 1983, p. W3 (comment on "big capitalists" by Deng Xiaoping).

31. London *Economist*, November 12, 1983, pp. 91-93. For a report on a large real estate fair, see "The Money Keeps On Coming from Hong Kong," *San Francisco Chronicle*, March 16, 1984.

Let me conclude with two general points that grow from this article. First, nationalism—not economic reform, or the opening to the democracies, or liberalization—is the primary political principle of the PRC today. Deng Xiaoping is, in fact, trying to rebuild the legitimacy of the party on this foundation. Even though the major foreign powers, particularly the democracies, are aiding Deng in this effort, Chinese nationalism as it extends beyond the boundaries of the PRC will prove to be as dangerous a force for them as for the PRC's neighbors. This recent history of the PRC parallels similar developments in the USSR, where the communist party has also become more nationalist and preservative of its own position than ideological.

Second, in his speech in Ottawa in January 1984, PRC Premier Zhao Ziyang said, "All the policies we are going to adopt towards Hong Kong can also be applied to Taiwan, and even more. Reunification is the most pressing task for us and we hope to strive for peaceful reunification at an early date." Taiwan has thus been adequately warned. The danger is a united front campaign even more extensive than that directed against Hong Kong. Taiwan must be prepared to counter it, including its insidious manipulation of Chinese cultural nationalism, which is actually a trap set for overseas Chinese by the communists. The Taiwanese targets of the coming united front campaign must be prepared to nullify the "legal" and cultural weapons the PRC plans to use against them. Above all, popular mobilization and self-determination are indispensable. The failure of the people of Hong Kong to become politically involved in their own fate has sealed their fate. These are the lessons from Hong Kong, which—barring unforeseen developments—is already lost. Nonetheless, the Hong Kong case does afford a 13-year insurance policy during which other overseas Chinese communities can get their own houses in order.

TABLE 2 *Partial Listing of Beijing-Hong Kong "People-to-People" Meetings and Declarations in Conjunction With Confidential Anglo-Chinese Negotiations, September 1982-December 1983 (O = Official meeting; U = Unofficial meeting)*

	Type	Date	Details
1.	O	Sept. 22-25, 1982	P.M. Thatcher visits Beijing, initiates talks on HK.
2.	O	Sept. 26-28, 1982	P.M. Thatcher visits HK, first British prime minister ever to do so.
3.	U	Oct. 29, 1982	Property tycoons meet with NCNA Hong Kong, are assured of status quo for 15 years.
4.	U	Nov. 1, 1982	HK Trade Development Council told in Beijing that a plan should be worked out "in the next one or two years."
5.	U	Nov. 20, 1982	Liao Chengzhi explains to visiting factory owners the idea of <i>gangren zhiqiang</i> (Hong Kong people rule Hong Kong).
6.	U	Dec. 1, 1982	Liao Chengzhi tells visiting group of industrialists that PRC has long considered <i>gangren zhiqiang</i> .
7.	U	Dec. 10, 1982	Zhao Ziyang and Gu Mu discuss economic cooperation with Gordon Wu and Cheng Yu-tung, leading HK developers. Liao Chengzhi meets HK delegates to CPPCC and NPC. Xi Zhongxun, Politburo member and ex-governor of Guangdong, reassures Trade Development Council.
8.	U	Dec. 16, 1982	Cheng Yu-tung and Gordon Wu return, say Zhao Ziyang is aware of HK people's anxiety.
9.	U	Jan. 7, 1983	Ji Chaozhu, counsellor of PRC Embassy in U.S., says future governor of HK must be Chinese.
10.	U	Jan. 10, 1983	Heung Yee Kuk party leaves for talks in Beijing.
11.	U	Jan. 18, 1983	Li Tse-chung, director of HK <i>Wen Wei Po</i> (pro-PRC), attacks "three-legged stool."
12.	U	Feb. 11, 1983	U.S. Secretary of State Shultz, in HK after PRC trip, is "hopeful."
13.	U	March 13, 1983	PRC tells Britain that HK will play vital part in South China Sea oil exploration.

TABLE 2 (continued)

14.	U	April 5, 1983	Nearly 140 HK and Macao residents elected to provincial or national NPC and CPPCC committees, leaving May 31 for Canton and Beijing.
15.	U	April 9, 1983	Labour MP Roland Moyle says after trip to PRC that HK to be ruled by HK people following reversion of sovereignty to the PRC.
16.	U	April 11, 1983	John Young, HK university lecturer, back from trip to PRC, says HK to have "mini-constitution" after 1997.
17.	U	May 1, 1983	HK center-right magazine <i>Pai Hsing</i> discloses that Liao Chengzhi told visiting academics that 1997 is date for reversion, not before or after.
18.	U	May 12, 1983	Liao Chengzhi receives 30 New Territories businessmen, rejects "three-legged stool." Shanghai economic delegation visits HK.
19.	U	May 16, 1983	Xu Jiataun, party CC member, ex-governor of Jiangsu, and director designate of NCNA/HK, receives industrialists in Canton. Allen Lee, Selina Chow, and Stephen Cheong, Legislative Councillors, leave for Beijing; Xi Zhongxun tells them May 22 that PRC will handle HK issue with great care.
20.	U	May 29, 1983	PRC tells visiting HK journalists that HK will be a special administrative region "for a long time" after PRC gains sovereignty.
21.	U	June 6, 1983	Zhao Ziyang tells NPC that PRC will recover HK sovereignty "at an opportune moment and take appropriate measures to maintain its prosperity." Wang Daohan, mayor of Shanghai, says Shanghai and HK should work together.
22.	U	June 17, 1983	Xu Jiataun in Beijing declares that Chinese sovereignty over HK is nonnegotiable.
23.	U	June 20, 1983	<i>Newsweek</i> says Deng Xiaoping told Thatcher in Sept. 1982 that an agreement should be reached in two years. <i>Newsweek</i> says this was disclosed by Hu Yaobang to U.S. professor Parris Chang.

TABLE 2 (*continued*)

24.	U	June 22, 1983	Wang Daohan says Shanghai can help HK.
25.	U	June 25, 1983	Deng Xiaoping meets HK delegates to NPC and CPPCC; all delegates follow PRC line.
26.	U	June 30, 1983	New director of NCNA, Xu Jiatun, arrives HK.
27.	O	July 1, 1983	Joint Anglo-Chinese statement: second phase of talks to begin July 12. British negotiators: Sir Percy Cradock, amb. to PRC; Sir Edward Youde, gov. of HK; Robin McLaren, political adviser. Chinese negotiators: Yao Guang, vice foreign minister; Li Jusheng, deputy director, NCNA/HK; Lu Ping, Western European Department adviser.
28.	U	July 9, 1983	Peter Tsao, director HK Government Information Services, denied visa to Beijing.
29.	U	July 11, 1983	Winston Yang, American academic, tells of talk with Deng Xiaoping. Deng said HK's future lies in PRC's hands; "to deny this is to deny reality and to create a dangerous illusion."
30.	O	July 12-13, 1983	First round of second phase of official negotiations.
31.	U	July 19, 1983	Xu Jiatun tells a reception for leftists at NCNA/HK that a "fair and reasonable" solution is in the works.
32.	O	July 25-26, 1983	Second round of official negotiations. Talks described as "useful."
33.	U	July 29, 1983	Group of HK post-secondary students returns from Beijing with <i>draft of terms</i> for HK Special Administrative Region. Confirmed Oct. 14 in Denny Huang-Ji Pengfei talks.
34.	O	Aug. 2-3, 1983	Third round of official negotiations. Phrase "useful and constructive" dropped. Qi Huaiyuan, foreign ministry spokesman, refuses comment. HK leftist press propaganda barrage begins.
35.	U	Aug. 7, 1983	Xu Jiatun, with full NCNA publicity, takes walk in Walled City of Kowloon.

TABLE 2 (continued)

36.	U	Aug. 13, 1983	Leftist Motor Transport Workers' Union supports PRC's claim of sovereignty.
37.	U	Aug. 15, 1983	Hu Yaobang tells Japanese newspaper <i>Mainichi</i> that PRC will take over HK on July 1, 1997—first mention of definite date.
38.	U	Aug. 17, 1983	Beijing names Ji Pengfei, ex-foreign minister, head of HK and Macao Office, Overseas Chinese Affairs Commission, NPC Standing Committee. More HK unions back Beijing.
39.	U	Aug. 26, 1983	Xu Jiarun tells dinner gathering not to worry, PRC has policies to maintain HK's stability.
40.	U	Sept. 10, 1983	Deng Xiaoping tells former Conservative Party PM Edward Heath that future looks good, sovereignty is nonnegotiable. In HK Sept. 13 Heath walks out of meeting with unofficial members of Legco, who dub him "Deng's mouthpiece."
41.	U	Sept. 21, 1983	Wu Xueqian, PRC foreign minister, says Britain must drop "rigid" attitude. Shi Liang, PRC legal specialist and chairman of China Democratic League, accuses Britain of trying to continue ruling HK after 1997. Huan Xiang, another PRC legal specialist visiting HK, says PRC wants to stabilize deteriorating economy.
42.	O	Sept. 22–23, 1983	Fourth round of official negotiations. Phrase "useful and constructive" not used. "Black Friday and Saturday": HK\$ hits lowest point (US\$1 = HK\$9.55).
43.	U	Sept. 30, 1983	Ji Pengfei affirms Sept. 1984 "deadline" for agreement or PRC will declare its terms unilaterally. Brands as liars those in HK who say public does not welcome rejoining motherland.
44.	U	Oct. 10, 1983	He Ying, vice chairman of Overseas Chinese Affairs Commission, says sovereignty of HK "admits of no discussion." RMRB urges Britain to be more "realistic."
45.	U	Oct. 12, 1983	Malaysian prime minister Mahathir comes out in favor of PRC position, first foreign head of state to do so.

TABLE 2 (*continued*)

46.	U	Oct. 14, 1983	Denny Huang, Urban Councillor, reveals contents of Sept. 27 talk with Ji Pengfei, who gives fullest picture yet of Chinese plans.
47.	O	Oct. 19-20, 1983	Fifth round of official negotiations. Said to be "useful and constructive." Leftist propaganda barrage abates.
48.	U	Oct. 28, 1983	Henry Kissinger in HK says U.S. must keep out of HK question.
49.	U	Nov. 1, 1983	Head of HK Polytechnic University returns from Beijing, says Ji Pengfei is optimistic.
50.	U	Nov. 12, 1983	Qi Huaiyuan reaffirms Sept. 1984 deadline. New Territories District Board delegation leaves for Beijing where Ji Pengfei tells them Nov. 15 that HK will be unchanged for 50 years after 1997, based on "mini-constitution."
51.	O	Nov. 14-15, 1983	Sixth round of official negotiations: "useful and constructive."
52.	U	Nov. 21, 1983	Ji Pengfei reiterates PRC's position to delegation from HK and Macao.
53.	U	Nov. 24, 1983	In Japan Hu Yaobang reassures Nakasone on foreign investments in HK.
54.	U	Dec. 1, 1983	Ji Pengfei meets Chinese Reform Association of HK.
55.	U	Dec. 2, 1983	Xu Jiatun says PRC will reveal details of "mini-constitution" before September.
56.	U	Dec. 3, 1983	Peng Zhen, chairman of NPC, says PRC constitution does not require that HK become socialist.
57.	O	Dec. 7-8, 1983	Seventh round of official negotiations: "useful and constructive."
58.	U	Dec. 10, 1983	Delegates of HK Observers meet Ji Pengfei, say they want post-1997 British link. Leftist press strongly attacks Observers.

SOVIETS IN THE INDIAN OCEAN

Much Ado About Something— But What?

Walter K. Andersen

A significant development during the 1970s was the growing strategic importance of the Indian Ocean and its littoral to the USSR and the United States. At the beginning of that decade, Moscow sought to gain from Indian Ocean littoral states their acceptance of the USSR as an international power whose views count in world affairs. The Soviet occupation of Afghanistan at the end of the decade forced the West to focus on the USSR as the most powerful Indian Ocean hinterland state, and on its capability to use its strength to achieve Moscow's objectives. The Soviet Union's Indian Ocean policy cut across three axes of conflict: East-West, North-South, and Sino-Soviet.¹ The USSR seeks influence among littoral states; it wants to diminish a perceived strategic threat from the U.S., and to contain China. Increasingly, these objectives seem to be viewed by Moscow within the framework of its rivalry with the United States. Its success in achieving these objectives, however, has been mixed.

The USSR has had an interest in the bordering states to its south extending back to the immediate postrevolutionary period when it negotiated a number of treaties in 1921 designed to reduce the chances of an attack from that direction. There was again some activity in the region during the decade after Stalin's death as Khrushchev worked to break through the ring of U.S.-led alliances around it. But the most intensive effort began in the late 1960s when it employed a number of

Walter K. Andersen is on leave from the Department of State and is presently a Research Fellow at the Institute of East Asian Studies, University of California, Berkeley. The views expressed here are the author's and not necessarily those of the Department of State.

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1. An excellent discussion of these cross-cutting axes of conflict appears in Dieter Braun, *Indian Ocean: Region of Conflict or 'Zone of Peace'?*, trans. from the German by Carol Geldart and Kathleen Llanware (London: C. Hurst, 1983), pp. 47–68.

instruments designed to give the USSR a major voice in the management of affairs in and around the Indian Ocean.

Why did the USSR mount such an effort at this time? We will probably never know the reasons with any precision since we have only a very partial knowledge of the Soviet bureaucratic actors involved in the decision, their relative degrees of influence, and the concerns that motivated them. But there are a number of plausible explanations.

First, having achieved nuclear parity with the United States, the Soviet Union was no longer willing to play the role of supporting cast member to acquiesce in what it perceived to be an illegitimate Western monopoly of influence in an adjacent geographical area. (The 1969–72 SALT I negotiations had seemed to give an American endorsement to the notion that the Soviet Union is a superpower with all its related global rights and responsibilities.) Foreign Minister Andrei Gromyko at the 24th Party Congress in 1971, for example, declared that thereafter no matter affecting the USSR could be settled without its participation.²

Second, Moscow may have worried that the U.S. might deploy submarines outfitted with Polaris A-3 nuclear missiles to the Indian Ocean. The Polaris could target sites in the developed industrial regions of the USSR from the northwest quadrant of the Indian Ocean, though such sites could be reached from the Atlantic, Mediterranean, and Pacific patrol areas as well. (The Polaris submarine-launched ballistic missile [SLBM] A-3 has a range of 2500 nautical miles. The most recent version of the Trident SLBM will have a 6000 nautical-mile range, which further diminishes any strategic compulsion to deploy submarines to the Indian Ocean.)³ The Kremlin leadership undoubtedly had searched for signs of deployment and may have concluded that the U.S. was on the verge of doing so.⁴ Between 1962 and 1966, the United States and the United Kingdom agreed to jointly develop a communications/base facility on the Diego Garcia atoll located in the Chagos archipelago in the Indian Ocean; in 1963, the U.S. and Australia agreed to develop still another communications facility on the North West Cape in Western Australia.

2. Ibid., p. 48.

3. For an analysis discounting the strategic advantage of a U.S. SLBM capability in the Indian Ocean, see Rodney W. Jones, "Arms Control in the Indian Ocean," *Asian Survey*, 20:3 (March 1980), pp. 269–279.

4. Soviet analysts have talked about the imminence of a U.S. SLBM capability for over a decade. For example, see an analysis of this perception in William F. Hickman, "Soviet Naval Policy in the Indian Ocean," *U.S. Naval Institute Proceedings* (August 1979), p. 42. Hickman notes that the USSR has maintained a constant antisubmarine warfare (ASW) capacity in the Indian Ocean, but at least up to 1979, it had never been predominant. He calculates that fewer than 20% of the Soviet ships present at any given time in 1974–75 had an ASW capacity.

From the Soviet perspective, a naval presence with an antisubmarine warfare capability might serve as a deterrent and reduce the chances of near-in operations by the U.S. in case of a conflict. The continued Soviet naval buildup in the 1970s certainly gave the USSR the means to project itself into the Indian Ocean.

Third, Moscow probably perceived an attractive opportunity to gain influence among nations that either had just become independent from Western European powers or were then embroiled in national liberation struggles against a colonial power. Soviet literature at the time (and to a degree even now) predicted an increasingly leftward orientation among elites in the Third World. Marxist-Leninist doctrine predicts an inevitable process in this direction. The conception the Communist Party of the Soviet Union has of itself as the center of the "sacred faith" disposed its leaders to help the process along by employing the coercive and cooperative diplomacy of the Soviet state. The withdrawal of the West's military forces from the Indian Ocean in the late 1960s and early 1970s provided an inviting opportunity to assume a management role in an area with a diminishing risk of confrontation. The USSR had developed good bilateral relations with a number of littoral and hinterland Indian Ocean states—Afghanistan, India, Iraq, Egypt, Sudan, Somalia, and North and South Yemen. These states were all recipients of Soviet arms and there was scope for improving relations with them still further.

The sharp deterioration of Sino-Soviet relations at the time may well have disposed the Kremlin leadership to "contain" the People's Republic of China (PRC) from the south. The PRC's vigorous campaign to gain influence in East Africa, which had had some successes, may well have provided another incentive to counter the Chinese.

There are a number of possible economic reasons for the projection of influence—protecting shipping routes between Soviet Europe and Soviet Asia as well as safeguarding trade routes with Indian Ocean states, the expanding Soviet fishing fleet in the Indian Ocean, etc.—but I believe these were of a lower order of significance. A small percentage of Soviet trade transits the Indian Ocean, and the USSR, unlike the West, is not dependent on the energy and mineral resources from Indian Ocean littoral states. Interdiction of Western shipping and denial of Western access to essential energy and mineral resources, I believe, were not (and still are not) significant motivating factors. The USSR can do that much more effectively elsewhere, and, in any case, an effort to take this course in the Indian Ocean during peacetime involves a high risk of a general war in an area where the Soviet Navy could be bottled up in the choke points through which Soviet vessels must pass to get to the Indian Ocean.

This projection of influence involved a number of instruments. Let us

start with the military. Already in the early 1960s, the Soviet Navy under the leadership of Admiral Sergei Gorshkov had apparently convinced the Kremlin leadership that advances in nuclear weapons technology called for an expansion of the defensive perimeter of the USSR. In order to achieve this, sea power was essential, in particular warships designed with antisubmarine and anticarrier capabilities.⁵ Between 1964 and 1974, the scale of Soviet out-of-area operations increased by a multiple of 12—growing from 4000 ship days to 48,000⁶ (currently it is approaching 60,000, excluding auxiliaries and support ships.⁷) In March 1968, Moscow dispatched three warships to the Indian Ocean on a goodwill visit to India and a number of Indian Ocean ports, and these returned to their Pacific base in July of that year.⁸ This was followed by still another set of goodwill visits in November to a number of ports in East Africa, the Red Sea, and the Persian Gulf. From the spring of 1969 onwards, the Soviets have maintained a continuous presence. Subsequent surges have usually been in response to the dispatch of a U.S. carrier group with a countering action involving anticarrier groups deployed exactly to match the U.S. carrier group. For example, the USSR in 1980 deployed two missile cruiser task forces to the Arabian Sea in response to the dispatch of two U.S. carrier forces. Such deployments apparently were designed to convince both allies and adversaries of the USSR's commitment to the area.

The USSR now maintains about 25 ships on a regular basis (about one-half auxiliaries), whose military tasks are a combination of antisubmarine, anticarrier deterrence, shadowing, and familiarization.⁹ The USSR has also increased use of naval reconnaissance flights since the Iran hostage crisis.

The Soviet response during the various crises in the area (e.g., the 1971 Indo-Pakistani war, the 1973 Arab-Israeli hostility, the 1979 hostage crisis, etc.) are examples of the Soviets' representing themselves as adversaries of "imperialist" aggressors and as protectors of beleaguered nations with the intention of strengthening Soviet relations with the

5. For a discussion of Admiral Gorshkov's role in the expansion of the Soviet Navy, see Elmo R. Zumwalt, Jr., "Gorshkov and His Navy," *Orbis* (Fall 1980), pp. 491–500. Gorshkov's classic explanation of the Soviet Navy's mission is his *The Sea Power of the State*, summarized in *Survival*, January-February 1977, pp. 24–29.

6. James M. McConnell and Bradford Dismukes, "Soviet Diplomacy of Force in the Third World," *Problems of Communism*, January-February 1979, p. 17.

7. *Soviet Military Power*, 2nd ed. (Washington, D.C.: G.P.O., 1983), p. 60.

8. From 1958 to 1966, the USSR operated two to three ships per year on extended oceanographic cruises and in 1967 introduced ships as part of its space operations. Prior to extensive deployment in 1968, a few combatants visited Indian Ocean ports between 1965 and 1967.

9. *Soviet Military Power*, p. 84. The Soviet Union also maintains about 15 ships on a regular basis off the coast of Vietnam.

regimes of the area. Regarding India, the 1971 action was a spectacular political success.

With a regular naval deployment, the acquisition of facilities for ships at a considerable distance from their home base became a major diplomatic objective. According to one source, as early as 1968 the Soviet Union made requests for port facilities to both India and Pakistan, countries that had become recipients of Soviet arms.¹⁰ In both cases, its request was rejected. However, the effort reveals the political benefits that the USSR hopes to achieve from its arms deliveries, for while India and Pakistan denied its request, Moscow was later to find buyers elsewhere among states in need of weapons to stave off domestic insurrection(s) or external enemies.

The use of sea power to obtain political objectives appears to have been the major reason for the Soviet naval deployment to the Indian Ocean. The Soviet Indian Ocean Squadron's primary political role is suggested by its limited offensive capability and power projection. To neutralize the U.S. carrier task groups deployed regularly since the late 1970s to the northwest sector of the Indian Ocean, the USSR would have to reinforce its squadron significantly. Even when Soviet naval forces surged during crises, the United States has been able to bring enough naval forces to the Indian Ocean to establish naval superiority.

Admiral Gorshkov proposed in the mid-1960s that the navy in peacetime has a mission to further Soviet political objectives, including assistance to "national liberation struggles" and deterring "imperialist powers" from threatening "progressive" regimes.¹¹ This stance required a new doctrine. The earlier doctrine that local wars involving a superpower would "inevitably" escalate to a larger conflict was replaced by a new thesis, elaborated in 1965 by General Colonel N. Lomov, that such "escalation" might occur only in "certain" crises.¹²

The potential benefits of coercive diplomacy are obvious. Supplying arms (and personnel)¹³ and showing the flag on behalf of regimes confronted by domestic turmoil and foreign enemies might make them

10. Leo Rose, unpublished manuscript of forthcoming book on the 1971 Indo-Pakistani War.

11. For a discussion of Gorshkov's conception of the political uses of the Soviet Navy, see "The Development of the Soviet Art of Naval Warfare," in *Strategic Survey: 1979* (London: The International Institute for Strategic Studies, 1980), p. 20.

12. McConnell and Dismukes, "Soviet Diplomacy," pp. 21-22.

13. Between 1971-80, the Soviet Union accounted for 34.2% of total arms exports, about 2% more than the U.S. for the 1971-80 period. The USSR, however, significantly surpassed the U.S. in the 1976-80 period (i.e., 32.9% to 22.8%). Indian Ocean littoral states received well over half the Soviet arms exports. *World Military Expenditures and Arms Transfers: 1971-80* (Washington, D.C.), p. 29.

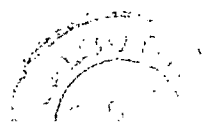
sufficiently dependent to acquiesce in Soviet requests for military facilities, to support the USSR diplomatically, and to deny naval access (and other military facilities as well) to an adversary of the USSR. In addition, Soviet military support (or even the potential for such support) for one regional power might induce that power's rivals to deal circumspectly with the West—as well as with the USSR. Such coercive diplomacy also provides the USSR an opportunity to play its desired role as an arbitrator of local controversies. In practice, the Soviet forward units have provided protection and navigation assistance for airlift and sealift operations during the 1974–75 Angola civil war, the 1977–78 Ogaden war, periodic ship visits intended to demonstrate political support for a regime, and intelligence and surveillance missions.

On the diplomatic front, the Soviet Union advanced proposals for collective security arrangements that would give it a key role as a guarantor of peace (and as a by-product exclude any competitive military arrangements and foreign bases). Brezhnev's so-called Asian Collective Security Scheme (ACSS) was introduced in his June 7, 1969, address to the International Meeting of Workers' Parties at Moscow. The concept was unveiled at the U.N. on September 19, 1969, by Foreign Minister Andrei Gromyko. Noting that the USSR is an Asian power with a national interest in the maintenance of peace in Asia, Gromyko asserted that "the Soviet Union is prepared to take part in consultations in exchange of opinions on all questions connected with the proposals for creating a system of collective security in Asia . . ."¹⁴ The U.N. did not take up this proposal.

No Asian state considers the USSR to be an Asian power, and none then (nor now) wants to bestow that status upon it. More important, Brezhnev's proposal was rightly perceived as an effort to contain the PRC, and no Asian state wanted to get entangled in that endeavor. In addition, those who follow Soviet pronouncements know that the Soviet definition of peaceful coexistence does not negate ideological or class struggle either between capitalism and communism or among the class forces within individual societies. Given this view, the successful negotiation of a collective security scheme would put the USSR—by far its most powerful constituent—in a position to determine what was a legitimate political and economic order, and few leaders would be willing to back such a *Pax Sovietica*.

When first presented, the scheme was widely criticized for its lack of

14. Quoted in A. G. Noorani, *Brezhnev Plan for Asian Security* (Bombay: Jaico, 1975), p. 8. Noorani's comprehensive study of Soviet collective security efforts in Asia forms the basis for much of the discussion here.



precision. In his address to the 13th Congress of Soviet Trade Unions on March 13, 1972, Brezhnev provided more details. "Collective security in Asia, as we see it, should be based on such principles as renunciation of the use of force in relations among states, respect for sovereignty and inviolability of borders, non-interference in internal affairs, extensive development of economic and other cooperation on the basis of full equality and mutual advantage."¹⁵ In a lecture on November 1, 1972, to the Asian Affairs Research Council, Georgi Arbatov, Director of the USA and Canada Institute in Moscow, suggested that ACSS could develop into something more elaborate than a statement of principles: namely, a formal multilateral treaty with a supporting organizational structure.¹⁶ The more detailed proposal was first tried out on India during Brezhnev's visit there in November 1973, probably because the backing of a nonaligned country as important as India might encourage others to support the proposal. Mrs. Gandhi politely refused to commit India to it, while using traditional diplomatic language about how "interesting" such a proposal was. A similar approach was made soon thereafter to Indonesia, but with similar results.

Another parallel, if less comprehensive, diplomatic initiative involved the negotiation of bilateral friendship treaties; here the USSR had greater success. Between 1971 and 1980, eleven such treaties were concluded, eight with Indian Ocean or hinterland states (however, two of these nations, Egypt and Somalia, later unilaterally renounced the treaties; India since the 1971 war with Pakistan has virtually ignored it).¹⁷ There is a similarity in format and content in all of the treaties. Substantively, all pledge the recipients not to join military alliances directed against the co-signatory, and to engage in some form of consultation if one of the parties is attacked. But there are also significant differences. Those with India, Egypt, and Somalia have no provision calling for military cooperation to guarantee the security of both parties. The others do. Indeed, it is on the basis of this bilateral commitment that the USSR bases its claim to maintain military forces in Afghanistan.¹⁸ The Soviet Union, however, has made it clear that the treaties do not place the signatory, with the exception of Vietnam, in the Socialist Commonwealth, thereby relieving it of the responsibility for their social and eco-

15. *Ibid.*, p. 17.

16. *Ibid.*, p. 109.

17. The Treaty states are: Egypt, 1971; India, 1971; Iraq, 1972; Somalia, 1974; Angola, 1976; Mozambique, 1977; Vietnam, 1978; Ethiopia, 1978; Afghanistan, 1978; People's Democratic Republic of Yemen, 1979; and Syria, 1980.

18. The USSR cited the treaty with Afghanistan to justify its armed intervention there in December 1979.

nomic development as well as internal stability. The USSR apparently does not want a potentially expensive financial commitment unless the expenditure advances important Soviet strategic objectives, as in Ethiopia.

The various Asian and African states for their part have adhered to the letter and spirit of the treaties only to the extent that national objectives mesh with those of the USSR. Somalia did not consult the USSR when it attacked Ethiopia; neither did Iraq consult with the USSR when fighting erupted between it and Iran. While some Soviet commentators propose that these treaties are the building blocks of Brezhnev's ACSS, this is definitely not the case. These treaties were attractive to the various signatories because of the possibility of Soviet assistance against some regional adversary—hardly a foundation for a multilateral agreement intended to usher in a period of peace in Asia.

More in line with the ACSS has been the Soviet plan for the neutralization of the Persian Gulf. Brezhnev proposed a Persian Gulf Zone of Peace during his December 1980 visit to New Delhi. The plan would require that regional states and outside powers (read the U.S.) pledge not to allow non-Persian Gulf states to establish military bases in the Persian Gulf and adjacent islands, not to permit the stationing of nuclear weapons in the region, not to interfere in the domestic affairs of Gulf states, and not to deny Gulf states control over the disposition of their natural resources. Mrs. Gandhi again noted that the idea was "interesting," which constituted a negative response. The United States and others immediately criticized the plan because it called for the removal of U.S. military forces, but was silent on Soviet forces in the Transcaucasus and in Afghanistan. Addressing this concern at least in part, an authoritative Soviet publication claimed that the USSR "does not object to the questions connected with Afghanistan being discussed in package with the security of the Persian Gulf," though it also emphasized that the domestic situation in Afghanistan could not be included in the discussion.¹⁹ Kuwait (which is one of the few Gulf states to maintain diplomatic relations with the USSR) was the only Gulf state to express any interest in the plan; none of the states there want to give the USSR a guarantor role in the Persian Gulf. In addition, many of the states there want a U.S. military presence, if only "off the horizon" (or stationed in someone else's territory) to counter the Soviet presence on the Horn of Africa and the forces concentrated in Transcaucasus and in Afghanistan, as well as to assist in keeping the Persian Gulf shipping lanes open should the Iran-Iraq war threaten to block such traffic.

19. D. Nikolayev, "For Peace and Security in the Indian Ocean," *International Affairs* (Moscow), September 1982, p. 61.

The USSR has also tried the arms control route to limit U.S. naval forces in the Indian Ocean. In 1976, the Soviet delegate to the U.N. submitted a working document on arms control that included a reference to the Indian Ocean. It noted that the USSR was prepared to work with other littoral states and other outside powers (i.e., the U.S.) to reduce military force levels in the Indian Ocean on the condition that all bases be removed. The U.N. took no action. A year later, the Carter administration informed the U.N. on March 17 of U.S. interest in "mutual military restraint" in the Indian Ocean.²⁰ The USSR, perceiving an opportunity to reduce a strategic threat from the south, responded quickly and favorably during Secretary of State Vance's March 1977 visit to Moscow without stipulating as a necessary condition the removal of all U.S. bases—perhaps because of the development of its own facilities on the Horn of Africa.

Between June 1977 and February 1978, four meetings were held between the U.S. and the USSR. Major differences developed around such issues as acceptable limitations on strategic systems, whether existing U.S. and Soviet bases and facilities should be continued, and if so, at what level, the geographic area to be covered, etc. Nonetheless, both sides produced drafts calling for a preliminary agreement aimed at "freezing" naval force levels on both sides, which suggests that the USSR was then prepared to accept the U.S. base at Diego Garcia. But what caused the negotiations to break down, at least from the perspective of the United States, was the build-up of Soviet naval forces in the Western Indian Ocean at the time of the 1977 Ogaden war between Ethiopia and Somalia and the massive demonstration of the USSR's capabilities to airlift arms and soldiers (Cuban proxies), moves the U.S. considered at variance with the spirit of the talks. Technically, the talks were delayed, not terminated. During the June 1979 Carter-Brezhnev meeting, the two agreed to resume the naval arms limitation talks, but that decision was soon overtaken by events in the Persian Gulf region. The Iranian hostage crisis, followed one month later by the Soviet occupation of Afghanistan, brought home to many Americans (and others) the asymmetry of forces in favor of the USSR in this region. Moscow could call on its massive military assets in the nearby Transcaucasus, which had been placed on a

20. In March 1971, Soviet ambassador to the U.S. Anatoly Dobrynin raised the issue of mutual restraint in the Indian Ocean with Secretary of State William Rogers, but Soviet lack of interest in pursuing this issue kept the question on the back burner until the Carter initiative in 1977. For a discussion of the Indian Ocean Naval Arms Limitation Talks, see Gary Sick, "The Evolution of U.S. Strategy Toward the Indian Ocean and Persian Gulf Regions," in Alvin Z. Rubinstein (ed.), *The Great Game: Rivalry in the Persian Gulf and South Asia* (New York: Praeger, 1983), pp. 49–80.

higher state of readiness at the time, and the new military assets it possessed in Afghanistan. The Southern Military Theater of the USSR includes 29 divisions and 845 tactical aircraft and 400 helicopters. The deep penetration interdiction Fencer can attack targets in Iran, Pakistan, and the Gulf states, and its range can be expanded by using airfields in southern Afghanistan.²¹ The Backfire long-range strike aircraft whose unrefueled combat radius is 3300 miles can also reach the northwest Indian Ocean area from bases within the Soviet Union. Both sides have deployed their navies in the northwest Indian Ocean area on a virtually continual basis, and both have acquired new facilities or expanded existing ones. The Soviets now have access to facilities in Ethiopia (access to an airfield at Asmara and exclusive use of naval facilities on the Dahlak Archipelago) and have expanded their facilities in the People's Democratic Republic of Yemen, thereby providing them control over access to the Red Sea.

Finally, the U.N.'s Indian Ocean Zone of Peace (IOZP) deliberations have provided the USSR still another diplomatic opportunity to mobilize support against the U.S. base at Diego Garcia. This exercise, like so much else at the U.N., is mainly propaganda theater since the USSR knows there is little chance that the U.S. will agree to any such concept as presently conceived. Nonetheless, the notion of an IOZP has found considerable, indeed almost total, support in principle from the littoral states, though they have major differences over what an IOZP means (e.g., does it only limit foreign naval forces or does it also involve the navies of littoral states; does it forbid nuclear weapons, and if so, only those of non-littoral states, or does it include littoral states as well, etc.)

The IOZP concept received virtually unanimous support when it was introduced at the 1970 Non-Aligned meeting at Lusaka. Sri Lanka introduced a resolution at the U.N. that inter alia called for the removal of non-littoral bases and the prohibition of military pacts with outside powers. The USSR and its Warsaw pact allies, apprehensive about the possible limitation of the right of free passage for Soviet warships, abstained on the U.N. vote.²² The USSR also criticized the resolution's references to superpower "rivalry" in the Indian Ocean, arguing that it was only the U.S. that was engaged in a dangerous naval buildup, a point forcefully made by Chairman Brezhnev at the 26th CPSU Congress. The USSR also waited until 1980 to join the deliberations of the U.N.'s Indian Ocean Ad Hoc Committee's deliberation regarding a proposed

21. *Soviet Military Power*, pp. 34, 50.

22. See Nikolayev, "For Peace and Security," for discussion of Soviet expectations and apprehensions regarding IOZP.

conference intended to implement the IOZP proposal. (The U.S. also joined the Committee deliberations in 1980.)²³

The USSR's present enthusiastic support for an Indian Ocean conference is probably based on Moscow's calculation that it has little to lose (and many propaganda points to make) as long as the U.S. opposes such a conference and many of the littoral states (e.g., Sri Lanka) are no longer very interested. After all, the USSR's military forces, primarily located within nearby Soviet republics and in Afghanistan, would probably remain relatively free of criticism as long as the U.N.'s terms of reference were limited to naval forces and bases and facilities along the shores of the Indian Ocean. Moscow has opposed the notion of a preliminary harmonization of views that would include in the conference a discussion of its hinterland military assets (e.g., in Afghanistan). As one Soviet writer remarked, such troops are there "only to defend" the USSR's borders.²⁴

On the economic front, the USSR has very limited assets it can use. It must first try to meet the increasing domestic material expectations, a task made more difficult by the declining productivity of its economy. Consequently, Moscow has concentrated its limited resources on high visibility heavy industry and infrastructure projects in a few selected countries. In only a few instances has it been generous (e.g., Vietnam) and then because of major strategic objectives (e.g., the containment of China). Among the developed industrial states, it is among the most miserly, providing only \$8.2 billion in economic assistance between 1955 and 1970, about one-fourth the Soviet arms sales to Third World states during the same period.²⁵ The USSR has justified this stand with the argument that the Third World's economic problems are the responsibility of former colonial "exploiters," but this position has sometimes undermined Soviet influence. Most of the littoral states along the Indian Ocean are desperately poor and many of them, including the most radi-

23. The USSR did, however, vote in favor of the IOZP resolution for the first time in 1978 in the wake of the breakdown in the U.S.-Soviet Indian Ocean Naval Arms Limitation Talks.

24. Nikolayev, "For Peace and Security," p. 62.

25. *Strategic Survey: 1980-81* (London: The International Institute for Strategic Studies, 1981), p. 47ff. The Soviet economic aid program to developing nations began in the mid-1950s. During the subsequent twenty-five year period (1954-79), the Soviet Union granted some \$18 billion in aid to 67 developing nations, which amounted to less than one-tenth of one percent of the Soviet GNP. In 1970, this aid accounted for about one percent of worldwide official development assistance to developing states. National Foreign Assessment Center, *Communist Aid Activities in Non-Communist Less-Developed Countries, 1979 and 1954-79*, p. 6.

cal, have had to turn to the West for economic assistance. The USSR will alter its course (as in Angola) if it perceives an important state drifting too close to the West.²⁶ In the case of Angola, the USSR agreed to provide two billion dollars of additional economic aid between 1982 and 1990.

imports from littoral states—in stark contrast with the West, which is very dependent on the energy and mineral deposits from the area. India, with its developed industrial base, is one of the very few exceptions, and the USSR imports a wide range of consumer products from India. But even in the Indian case, trade is largely oriented toward the West and noncommunist Asian and African states.

The Soviets in the Subregions of the Indian Ocean

The Indian Ocean region, more than most other global arenas, has undergone vast changes over the past decade. The domestic instability of many littoral states and the proliferation of interstate tensions, not superpower military presence or even rivalry, lie at the root of Indian Ocean discord. Nevertheless, the discord has provided opportunities for both superpowers to enhance their influences. The Soviet Union for its part has exploited such discord in an effort to obtain recognition from littoral states that it has a legitimate role in crisis management. On balance, the Soviet's track record is very mixed (as is that of the U.S.), as one would expect in an environment where support from one superpower to a regional power often leads its rival(s) to seek assistance from the other superpower.

In Southeast Asia, Vietnam's effort to consolidate power in Indochina, combined with its ideological sense of mission, was the primary cause of conflict there in the late 1970s and early 1980s.²⁷ The six ASEAN states reacted by moving, if only tentatively and with some internal differences regarding pace, toward some kind of cooperation on security issues that includes a continued U.S. military presence and also provides the Chinese a role in regional affairs. This situation is in marked contrast to that existing on April 30, 1975, when the Vietnam war ended. The United States was then perceived as a highly uncertain, and perhaps undesirable, associate. The USSR was scarcely present in the region and

26. *Soviet Military Power*, p. 92.

27. An excellent discussion of that shift in Southeast Asia and its consequences for the region appears in Douglas Pike, "Southeast Asia and the Superpowers: the Dust Settles," *Current History*, no. 483 (April 1983), pp. 145–148, 179.

the PRC was perceived by several noncommunist states as the major danger to regional stability. There was even considerable optimism about working cooperatively with Vietnam. The ASEAN states still believed that the 1971 Kuala Lumpur proposal for a Zone of Peace, Freedom and Neutrality might successfully insulate the region from external intervention.

What happened? The communist alliance disintegrated, which laid the groundwork for the Vietnamese occupation of Kampuchea and a war between the PRC and Vietnam. The Soviet Navy also entered the offshore waters and was provided naval and air facilities by Vietnam (Cam Ranh Bay) in the wake of the 1979 Chinese incursion into Vietnam. Even though the Soviet naval presence may have been targeted primarily against China initially, the ASEAN states nevertheless perceive it as holding potential danger to themselves. The entry of the aircraft carrier *Minsk* into the Gulf of Siam in late 1980 also demonstrated that Moscow planned to confront the U.S. in an area where Washington had previously held strategic superiority.

The USSR's diplomatic, military, and economic support to Vietnamese adventurism has driven Moscow's stock to a very low level among the ASEAN states.²⁸ Vietnam's actions in Kampuchea and the subsequent June 1980 incursion into Thailand aroused images in ASEAN of Vietnam playing a Cuba-like surrogate role for the Soviet Union in Southeast Asia. While the various states have differed about an appropriate response to the Kampuchean situation, solidarity with Thailand has prevailed. This support was further strengthened in the wake of the USSR's occupation of Afghanistan, which all have strongly condemned.

While Sino-Soviet relations may improve marginally in other areas, the competition of the two powers for influence in Southeast Asia will probably continue, if not grow more virulent. In response to China's inherently superior military position because of its proximity, the USSR is likely to respond by sustaining a powerful military presence. In addition, China's successful launching of an SLBM in October 1982 provides still another reason for maintaining a substantial antisubmarine warfare capacity in the vicinity. This is very likely to generate countering trends leading to a coalescing of security interests among China, ASEAN, PRC, Japan, and perhaps also involving the ANZUS states. Indeed, the process has started.

28. The cost to the USSR is estimated at \$3-5 million per day, not counting the substantial assistance to Kampuchea. *Strategic Survey: 1980-81*, p. 110.

In South Asia, the Soviet occupation of Afghanistan has been the catalyst for renewed superpower confrontation on the subcontinent. India's goal of regional paramountcy, which seemed to be within its reach in the early 1970s, received a major setback with the re-entry of both superpowers into regional affairs at the end of the decade. India has been unable to exploit its "special relationship" with the USSR to keep Soviet regional goals compatible with its own. (Despite the 1971 treaty, the USSR did not bother to consult India on an action that was bound to have an impact on the latter's security interests.) The U.S., which had placed a very low priority on South Asia during most of the 1970s, resumed a large-scale economic and military assistance program to Pakistan in the wake of the Afghan crisis.

The South Asian states have reacted very differently to the Soviet action. India, while not supporting the Soviet move, does not consider it an immediate threat, although it does perceive the U.S.' countering action in Pakistan as threatening. The other South Asian states have parted company with India on this point. But their worries involve more than just the Soviets. As Bhabani Sen Gupta, a perceptive analyst of South Asian security affairs has observed, India's neighbors now fear that the USSR will encourage India to intervene as Vietnam did in Kampuchea.²⁹ As a consequence, they have all looked outside for friends. They have cracked down on their own small and ineffectual pro-Moscow communist parties. They have also broken ranks with India on the diplomatic front by voting in international forums to condemn the Soviet action in Afghanistan and the Vietnamese occupation of Kampuchea.

But none of India's neighbors has advocated an open security relationship with the West, partly because of a past history of Western unreliability and a fear that such a move would drive the Soviet Union and India more closely together in ways that could be dangerous. China for its part has advocated that the South Asian states try to maintain friendly relations with India. Beijing itself has engaged India in negotiations regarding their disputed border, in large part to make India less strategically reliant on the USSR.

India for its part has found itself isolated as a consequence of its apparent acquiescence in Soviet action in Afghanistan and Vietnamese moves in Kampuchea (India, in mid-1980, was the first nonsocialist state to recognize the Heng Samrin regime). Prime Minister Gandhi has sought to reduce some of the imbalance in India's foreign policy by further diversifying arms purchases, more actively seeking economic ties

29. Bhabani Sen Gupta, *The Afghan Syndrome* (Delhi: Vikas, 1982), pp. 204-205.

with the West, resuming talks with China on the disputed border, and steering the nonaligned movement, over which India now presides, away from the pro-Soviet orientation that Cuba had tried to impose on it.

Nonetheless, the USSR is likely to remain India's closest external friend for some time to come. The Soviet Union, which perceives India as an important Asian counterweight to China, will continue to supply state-of-the-art weapons at very reasonable terms, and to provide diplomatic support in India's bilateral disputes with Pakistan and the PRC. But New Delhi is likely to back the USSR diplomatically only when such action is calculated to serve Indian national interests.

The Persian Gulf region has also experienced dramatic changes over the past decade. Iran, which was to be the guarantor of Western interests under the Nixon Doctrine, now has a vehemently anti-American regime that is only slightly less vehemently anti-Soviet. The new Iran is a potential source of considerable instability in the Gulf as it is committed to spreading its fundamentalist Shiite brand of Islam. Iraq, engaged in a war of attrition with Iran, is not in a position to exert much influence over Gulf affairs. In fact, it depends on the largesse of its conservative Arab neighbors to sustain the war. At the same time, the USSR has established a powerful military presence in the area.

Has the Soviet Union gained from these changes? The results are mixed. Most Gulf states still decline to establish diplomatic ties with the USSR (only Kuwait, Iraq, and Iran presently have such links), though Soviet assertiveness in the area has sharpened the debate within the Gulf governments as to whether the best way to deal with the Soviets is to continue to have nothing to do with them or begin dealing with them in a limited way.³⁰ The Soviet military buildup in the area enhances the USSR's claims to a "legitimate" interest in Gulf affairs, as evidenced by Brezhnev's warning to the Carter administration in 1978 not to interfere in Iranian affairs and then in 1980 by Brezhnev's Persian Gulf scheme. Islamic Iran, which has crushed its indigenous communist party, expelled Soviet diplomats on charges on spying, and unilaterally abrogated the 1921 treaty with the USSR, has offered few opportunities for Soviet penetration; but this could change in the post-Khomeini period. In the event of turmoil there, the Soviets are more likely to seek influence by backing one of the factional contestants or by providing assistance to ethnic minority movements than by overt military intervention that could lead to a direct confrontation with the United States. Iraq, disap-

30. For an analysis of this debate and other security concerns of Persian Gulf states, see Michael Sterner, "Perceptions and Policies of the Gulf States toward Regional Security and the Superpower Rivalry," in Alvin Z. Rubinstein, *The Great Game*, pp. 22-46.

pointed by Soviet neutrality in the Iran-Iraq war and seeking expanded economic and arms contacts with the West, has loosened its ties with the USSR. (In reaction the USSR in 1982 sought to retain influence in Baghdad by resuming arms deliveries to Iraq.) Saudi Arabia, now the most influential state among its Arab Persian Gulf neighbors, views the Soviet occupation of Afghanistan and the Soviet naval buildup in the Indian Ocean as a pincer movement that is incompatible with Saudi interests.

However, the greatest worries of the Gulf states, at least for the present, are domestic instability, which is more likely to arise from the stresses of modernization than from Soviet subversion, and the four-year-old Iran-Iraq war, which threatens to disrupt the export of oil out of the Persian Gulf. The Saudi Arabian-sponsored Gulf Cooperation Council (Kuwait, Qatar, United Arab Emirates, Bahrain, Oman, and Saudi Arabia) is designed as a security mechanism to reduce the chances of a successful insurrection among any of the Council members. Should Iranian and Iraqi attacks on Persian Gulf shipping continue, the GCC is also likely to become a vehicle for enhanced cooperation regarding the endangered shipping lanes. The intensification of the attacks in mid-May this year could also lead to greater security cooperation with the United States. The Gulf states clearly hope to avoid such open involvement of the U.S., in part because of a likely adverse Soviet reaction. Saudi Oil Minister Sheikh Ahmed Zaki Yamani underscored this concern when he told reporters in mid-May 1984 that "No one will invite the U.S. without thinking about the danger of the Soviet Union. And then you will have a direct confrontation [between the superpowers]." ³¹

The Horn, like the other Indian Ocean regions, has undergone significant changes in the past decade, and the results are similarly mixed for the USSR. At the beginning of the 1970s, there were pro-Soviet governments in Egypt, Sudan, South Yemen, and Somalia. Ethiopia, then with close ties to Israel and the U.S., was isolated and wracked by a Marxist-led insurrection in Eritrea. Within a few years, Egypt expelled the Soviets; Moscow lost influence in Sudan in the wake of an aborted coup blamed on Soviet machinations. In late 1977, the USSR was expelled from Somalia as a result of Moscow's military assistance to the new revolutionary regime in Ethiopia.

Despite treaties with Egypt and Somalia, and large-scale military investments, Moscow was unable to exert much influence on the foreign policies of either largely because local interests came into conflict with Soviet global objectives. In the case of Somalia, Moscow wanted stability in the Horn and Somalia wanted the Ogaden. Moscow tried unsuccess-

31. *San Francisco Chronicle*, May 22, 1984.

fully to get Ethiopia, Somalia, and the Marxist Eritrean People's Liberation Front to coalesce into a socialist confederation. When this effort floundered, the Soviet Union provided a massive airlift of arms and Cuban troops, as well as Soviet military advisors, to Ethiopia to give Addis Ababa the means quickly to push the Somalis out of the Ogaden and to quell the Eritrean rebellion. This did not bring the hoped-for stability. The Horn is still wracked by tension, which keeps the Mengistu regime heavily dependent on the USSR. Indeed, Ethiopia's desperate need for economic and military assistance may have made it a more attractive client than Somalia.

Why has Moscow invested so heavily in arms, proxies, and facilities in the Horn?³² Some analysts have argued that it represents a back-door effort to reestablish a Soviet voice in Middle East affairs. Saudi Arabia worries that it is part of a pincer movement directed against conservative Gulf states. Whatever it is, the facilities in Ethiopia and South Yemen provide an important asset for warships deployed for long periods away from home ports and enable the USSR to maintain a higher ratio of combat ships vis-à-vis support vessels. A military presence also bestows on the USSR an "interest" in the resolution of questions relating to the Red Sea and the Persian Gulf and thus implicitly a "voice" on issues regarding security questions in a region close to the Soviet homeland. A military presence also constitutes a bargaining chip in future arms limitations talks with the U.S.

The rapid disintegration of Portugal's African empire in the mid-1970s offered the USSR tempting opportunities for influence along the western shores of the Indian Ocean. What emerged from the remnants of the Portuguese African empire were weak regimes desperately in need of outside military and economic assistance. The USSR has provided security assistance to them. In the case of Angola, the USSR supplied arms and proxies to enable one of the three factional groups to seize power, though the civil war continues to rage. Mozambique, invoking its treaty of friendship after a South African raid on African National Congress (ANC) offices in a suburb of Maputo, called for a show of Soviet support. In response, two Soviet warships visited Maputo on February 9, 1981. The Soviet ambassador stated that the USSR is "not threatening anyone," but "if anyone attacks our friends, we will give a suitable response."³³ However, both states' urgent need for economic help has compelled them to seek improved ties with the West and South Africa.

32. See a discussion in Ian Clark, "Soviet Arms Supplies and Indian Ocean Diplomacy," in Larry W. Bowman and Ian Clark (eds.), *The Indian Ocean in Global Politics* (Boulder: Westview, 1981), pp. 149-171.

33. *Strategic Survey: 1980-81*, p. 110.

Regarding South Africa itself, the USSR's unambiguous opposition to apartheid and its financial assistance to the Southwest African People's Organization (SWAPO) and ANC, give it a major propaganda advantage over the West among Black elites there and elsewhere in Africa.

All the Indian Ocean island states are economically weak and wracked by domestic tensions, usually a favorable condition for Soviet penetration. However, they have all maintained their independence and tried to keep clear of too close an involvement with either the USSR or the United States. Moscow's closest relations are with the leftist regime of President France Albert Rene of the Seychelles. His poor and tiny country has had at least two coup attempts in the past few years, and Soviet (and French) warships periodically visit Victoria to demonstrate support for his government. Yet, the U.S. still has a satellite tracking station at Mahe. The country's trade and economic assistance is overwhelmingly Western. Even President Ratsiraka of the Malagasy Republic, one of the more radical of the island leaders, has turned down Soviet requests for the use of the naval base at Antsiranna (formerly Diego Suarez, which the French were ordered to vacate in 1973). The only non-littoral state naval facilities among the islands are French, and Paris maintains a large and permanent naval presence on the island of Reunion in the Indian Ocean.

Mobilizing the island states' leaders against the U.S. base at Diego Garcia is a major Soviet diplomatic objective. The effort is focused on Mauritius, which claims the Chagos Archipelago. This campaign received a significant boost in 1983 when a leftist coalition demanding the "return" of Diego Garcia won a landslide victory in Mauritius. The new government of Prime Minister Aneerood Jugnauth demanded that the U.S. "return" Diego Garcia and blocked American attempts to recruit workers for the base as well as to negotiate provisioning contracts. Economic problems, however, led to a rather quick revision of policy. Jugnauth, after unsuccessfully requesting economic assistance from Libya and the USSR, shifted his stance on guest workers and on provisioning contracts for Diego Garcia. In March 1983, a combination of ethnic politics and desperate economic conditions led to a split between Jugnauth and Paul Berenger, the leading radical in his government. The prime minister (of Indian descent) labeled Berenger (a white) a "racist" and as "ruthless as Stalin."³⁴ The prime minister also called off his public campaign on Diego Garcia, reportedly telling newsmen that "we have to accept that the base is there."³⁵

34. *Times of India* (Bombay), May 17, 1983.

35. *Ibid.*

Conclusion

The primary motivating factors for the stepped-up Soviet activity in the Indian Ocean appear to have been political (prestige, a role in crisis management, etc.), though a deterrence against a possible deployment of U.S. SLBMs cannot be totally ruled out as factor, however unrealistic the Soviets might have been in worrying about this. Recent advances in the range of nuclear missiles, which enable the U.S. to target the USSR from areas closer to the U.S. where American countermeasures would be more effective, make it even less likely that the U.S. will deploy SLBMs to the Indian Ocean. Nonetheless, Soviet publications still refer to such a danger. For example, An. Gromyko wrote in the January 13, 1981, issue of *Izvestiya* that "the policy of deploying and stockpiling American nuclear weapons not far from the Soviet Union's southern borders affects the interests of safeguarding its security and cannot fail to evoke resolute condemnation from the Soviet public." In any event, the major purpose for the deployment of Soviet naval forces in the Indian Ocean appears to be to buttress cooperative and coercive diplomacy aimed at enhancing Soviet influence among the littoral states. The dilemma for the USSR is that this effort has been one of the factors stimulating a countering American military buildup in the Indian Ocean.

A major objective of Soviet policy has been to reduce the U.S. military presence in the Indian Ocean, which is now considerably more powerful militarily than that of the USSR. All the Soviet multilateral efforts to place constraints on the U.S. have failed. The most realistic route would be direct U.S.-Soviet talks, but the first (and only) effort in this direction broke down with the demonstration of Soviet assertiveness on the Horn, and, because of the Soviet occupation of Afghanistan, they were not resumed. Probably the only way Moscow could get Washington back to the bargaining table would be to agree to include Afghanistan on the agenda. Otherwise the U.S. could lose an advantage with no commensurate trade-off from the USSR. In the absence of such a trade-off, Moscow would have a freer hand in the use of coercive diplomacy in the Persian Gulf area and elsewhere. However, as demonstrated in the U.N.'s IOZP discussions, the Soviets are now unwilling to discuss their hinterland forces in Afghanistan, a position they are not likely to modify as long as East-West relations remain parlous.

Still another negotiating possibility that might protect Moscow's interests (as well as those of the U.S.) is a code of behavior applying to both sides. Soviet commentators now scoff at such a notion, referring to the moral right of the USSR to assist "progressive" regimes and "national liberation" movements. But since the costs of such efforts have been so high (e.g., countering moves by both the U.S. and regional states as well

as increased economic costs to the USSR), the USSR might favorably consider an agreement that would pledge the U.S. to exercise restraint regarding states with close security links to the USSR. The USSR of course would do the same with states with close ties to the United States. Under the terms of such an agreement, Moscow for several reasons would probably not call for the total withdrawal of naval forces. A military presence is an insurance against the breakdown of the agreement. It is also a key instrument for assuring friendly states of its continued support.

What has the experience of the past fifteen years taught the USSR about dealing with Indian Ocean littoral states? Surely, they are now more realistic about the constraints. Their initial optimism about the pro-Soviet orientation of the newly-emergent political elites has foundered on the rock of experience.³⁶ Nationalism has proved a more potent force than ideology. With the removal of Western colonial powers, neighbors fell out over a range of problems involving disputed borders and overlapping ethnic groups. In its search for influence, Moscow has on occasion had to choose between competing regional powers, even though both may have been nominally Marxist. The rejected side in such regional controversies may counter by turning to the West (as Somalia did) for protection, including the offer of military facilities.

In addition, Moscow has discovered the tenuousness of Third World ties. Since these relationships (except for Afghanistan whose leadership is in no position to conduct an independent foreign policy), are marriages of convenience, not love, they are all subject to termination. Egypt and Somalia must have removed many illusions once held by Soviet foreign policy bureaucrats.

Most Third World states, even the most radical, have found the West far more attractive than the USSR as a trading partner, a more generous provider of humanitarian and economic assistance, and a more highly endowed source of capital for development. Even in countries like India, where there is considerable trade with the USSR, the USSR has proved a difficult business partner, often providing shoddy goods, and the spare parts situation is a nightmare. Not only has Moscow been miserly, with a few notable exceptions, but the increasingly troubled Soviet economy may require Soviet leaders to husband their resources even more carefully.

Increasingly, Moscow's appeal as a model of development is under attack from both politicians and intellectuals. Several Indian Ocean lit-

36. A comprehensive analysis of this lesson appears in Mark N. Katz, *The Third in Soviet Military Thought* (Baltimore: Johns Hopkins University Press, 1982).

toral state leaders espousing socialism, such as Mozambique's Somara Michel, have begun to complain bitterly about the incompetence of the bureaucratic managers of the economy and the dismal performance of state-run enterprises. Indeed, Mozambique's desperate need for economic assistance has recently led to a remarkable warming of U.S.-Mozambique relations.

Culturally, the whole region is still oriented toward former metropolitan powers and to the United States. Even a cursory review of movies and imported television programs in Third World states underscores the enormous cultural impact of the West. Students, if given a chance, will almost invariably choose to study in the U.S. or Europe rather than in any East Bloc state. International communications, as Third World leaders often bitterly point out, is still virtually a monopoly of the West. Perhaps because of the experience of often fickle Third World partners, the USSR now appears to seek out regimes most in need of its help. The USSR has a rather narrow, but very important, range of items to offer—arms, proxy troops, and coercive diplomacy to demonstrate to domestic foes and external enemies that a regime has Moscow's backing.

Finally, Soviet efforts to be recognized as an Asian power with a "legitimate voice" in Asian security affairs have had virtually no support. Several states have cooperated, but for pragmatic rather than ideological motives. A *Pax Sovietica* is a highly unlikely possibility because neither the Indian Ocean states nor the U.S. would go along. Nonetheless, global competition between the two superpowers insures that the USSR will continue to probe for opportunities to enhance its influence at the expense of the West in regions that both sides consider strategically important. The recent record suggests that Moscow is prepared to push quite hard (e.g., Afghanistan, Ethiopia, etc.) where it senses no countervailing pressure, particularly from the United States. The Soviets hope that from this competition they will be able to gain access to naval facilities while denying the West similar access, recognition as a world power with a legitimate interest in crisis management, and diplomatic support for Soviet objectives.

FROM ISLAMIC REPUBLIC TO ISLAMIC STATE IN PAKISTAN

Lawrence Ziring

This essay presents reflections on the political history of Pakistan. It is constructed around a theme that continues to challenge both the participant and the observer of the Pakistan drama. That theme briefly examines Pakistan's Islamic heritage in the context of the nation's present political condition and its projected future. What I have attempted to do in these few pages is to suggest a theoretical framework for the study of Pakistan. No less important, I have sought to explain the realities of a shift away from what I would describe as democratic notionalizing to more rigidly authoritarian government. A study of the historic record reveals a strong democratic inclination, undiminished and possibly strengthened by references to an Islamic ordering of socio-political affairs between 1947 and 1971. Pakistan did not have to escape the incubus of its birth in order to emphasize its democratic purpose. Although Islam was in its national blood and the country seemed to survive because of it, Islam was not judged incompatible with free expression and liberal pursuits. But it was also obvious that authoritarian norms long dominated the country's political life. Moreover, Islam was equally adaptable to authoritarian legacies and democratic aspirations. For purposes of this essay I therefore refer to the Islamic Republic as a version of democratic expression. By the same token, my juxtaposition of the Islamic State stresses the durability of authoritarianism.

Any reference to the Islamic Republic must be understood in comparison to what I have labeled the Islamic State. I see the emphasis on the Islamic Republic as stressing the development of secular, constitutional government and society. The essential focus is the separation of religion from politics and government. The knowledge that this may not be sound theory in the context of multidimensional Islamic practices does not prevent me from suggesting that there were and are people in

Lawrence Ziring is Director, Institute of Government and Politics, Western Michigan University, Kalamazoo, Michigan. He co-authored *Pakistan: A Country Study* (U.S. GPO, 1984).

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Pakistan, and perhaps Mohammad Ali Jinnah is their principal spokesman, who believed it possible to construct a post-World War II Muslim country on a foundation of democratic, secular ideas.

The Islamic State and its current emphasis in Pakistan tells us much about the underlying character of the Pakistani nation. It tends to bring political theory into harmony with political practice. It not only seeks to reinforce Pakistani unity, it seeks to do so by demonstrating the effectiveness of the ruling authority's coercive power. The Islamic State thus becomes the dramatic portrayal of authoritarian government. It also highlights repressive policies and actions. Some Pakistani Muslims, unfamiliar and hence untouched by democratic ideas and processes, will find this display of governmental power acceptable; others, however, have found and will continue to find it overbearing and intolerable. It could be argued that the latter are critical of General Zia's Islamic State but would be quite at home in a version of the Islamic Republic that allows for the interplay of competing factions. The latter clearly is something the Zia administration rejects as divisive and as a threat to the country's national integrity. The current debate over whether the parliamentary elections (slated for the latter months of 1984 or the early part of 1985) should be held with or without political parties is a case in point. The Zia government, supported by the Council of Islamic Ideology, insists that political parties are non-Islamic and only exaggerate political division. It is their perception that an Islamic State is *ipso facto* a politically unified state and elections are only demonstrations of the Muslim community's solidarity, not its differences.

Pakistan's *raison d'être* was and has remained the creation and sustenance of a homeland for Muslims inhabiting the subcontinent. The call for an independent Muslim state, however, never suggested that communities other than Muslim could not reside within it. The thrust of the Indian Muslim claim was directed at the need for a territorial unit or units separate from that of India where Muslims were in the majority and thus entitled to establish their own national state(s). Although it was anticipated that some Muslims living within India would transfer their domicile to Pakistan, it was never intended to transfer all the Muslims of India to the new Muslim state. Or likewise, to move all non-Muslims, especially Hindus, to India. The communal strife that ravaged parts of the subcontinent prior to, during, and following the partition of British India, was also anticipated. The magnitude of this tragedy, however, was not envisioned. As a consequence of the carnage and the hysteria that it unleashed, the flight of Muslims to Pakistan and Sikhs and Hindus to India was far greater than expected. But even then each state retained large minorities. Pakistan, therefore, insisted on its Islamic bonafides,

but it also emphasized its capacity to accept non-Muslims in its expanding community.

The Muslim League fought for and achieved an independent Pakistan. The League, however, was more a political movement than a political party. The political theory that inspired the League did not harmonize with its practices. Muslim League theory stressed the existence of two nations within the subcontinent, the Hindu and the Muslim. The "two-nation theory" described historical and cultural as well as religious differences between the two dominant communities. It demonstrated the vast gulf existing between Hindus and Muslims, and it claimed that neither time nor interaction had or could satisfactorily bridge these differences. Given the dominance of the theory, the Muslim League maintained its Muslim exclusivity. Although sometimes a controversial issue, it never opened its membership to non-Muslims. Moreover, the "separate electorate system," developed during the colonial period, had become a tenet of faith, and it implied Islam was still in danger, despite the creation of Pakistan.

The practices of the League diverged from the dictates of the theory in that the leadership sought to appeal to all religious as well as ethnic communities, to assure them of their citizenship and equality before the law. Pakistan, according to Quaid-i-Azam Mohammad Ali Jinnah, was to be a contemporary nation-state, similar in outlook to the other long-established national entities. Jinnah called upon the Muslim majority to welcome within their midst their brethren of different religious persuasions and regional backgrounds. He noted the importance of working together for common goals and the need to pool resources in order to construct a successful, modern nation. Jinnah discounted the notion of Pakistan as a theocratic state and by his actions promoted and encouraged the idea of secular nationalism. Jinnah did not share the vision of other subcontinent Muslims who postulated a rigid Islamic ideology. Although interested in relating to other Muslim states, he did not see Pakistan in the vanguard of a larger movement emphasizing one vast Islamic State from the Atlantic to the Pacific. Jinnah was a pragmatist, a lawyer, and a constitutionalist. His conviction was that Muslim minorities could best be protected if states in which the Muslims were in a majority displayed tolerance for other creeds and embraced those whose traditions and values were different from their own. Pakistan, for Jinnah, was formed to demonstrate that a Muslim majority state could satisfy the needs and fulfill the aspirations of all its citizens. Such a posture did not in any way impede the Muslims of Pakistan from realizing their dream of a country where they were free to pursue and develop their religious traditions and social values. In effect, Jinnah, as a spokesman for the

Muslim League, practiced a strict separation between religious experience and political development. And the League along with the civil-military bureaucracy generally concurred with his views.

The Islamic Republic

Pakistan as an Islamic Republic was officially proclaimed in 1956 with the adoption and promulgation of the country's first constitution. At the heart of the document was the idea of Pakistan as a democratic state, a government of great but still limited powers, and a nation free to express its multifarious character and aspirations. Islam was cast as a moderating element, reinforcing secular guarantees of fundamental liberties. References to Islam ensured that the head of state would be a Muslim, but there was no intention to press a peculiar form of Islam on the country's diverse Muslims, or to ignore the independent status of its non-Muslims. The constitution outlined a parliamentary political system, somewhat akin to the British model. It spoke of the distribution of power and the efficacious manner of conducting the affairs of state without raising the spectre of arbitrary government. The Islamic Republic as described by the constitution adhered to the words and deeds of Jinnah and appeared to prove that his views were shared by a significant cross section of the leadership, in and outside the League.

Nevertheless, the road to the 1956 constitution was long and arduous. Along the way the Muslim League stumbled and then fell, barely able to struggle to its feet when the document was finally issued. The movement that was the League ran out of steam. Popular support evaporated as its theory became less relevant in the years following independence. Moreover, disenchanted and ambitious politicians sought to develop more coherent political organizations that seemed better able to reflect the demands of their provincial constituents. These parties revealed the divisions within the Pakistan political design, divisions that the Muslim League could not overcome by its appeal to Islam. Ethnic differences and regional sub-nationalisms threatened the unity of Pakistan, and the League's decision to cling to outmoded concepts served the purposes of neither the organization nor the nation. Islam was never in danger in the Muslim-dominant areas that became Pakistan. The Muslim League could no longer justify its exclusive Muslim character, and its insistence on clinging to separate electorates when the other political parties believed the system dysfunctional only accelerated its demise. Pakistan was deprived of a dominant political party such as India enjoyed in the Indian National Congress. As a consequence, the politicians could bicker and intrigue, but they could not manage policy. They could criticize performance but they could not ensure stability. It was not long, therefore,

before the civil-military bureaucracy asserted itself, sensed the need to fill a void, and assumed responsibility for running the country. Power gravitated toward the civil administrators, and when they later became entangled in the political web, the military establishment superimposed its authority over that of the bureaucrats. Nevertheless, the idea of the Islamic Republic persisted, and there was little noticeable change in the country's orientation.

The coup that brought the army into the mainstream of political life was engineered by General Ayub Khan and his brothers-in-arms in 1958. The parliamentary constitution was summarily abrogated, the political parties banned, and the legislatures closed. Ayub banished the nation's first president from the country and assumed the vacant office himself under the umbrella of martial law. Forty-four months passed before martial law was lifted and another constitution drafted and promulgated. Ayub had already set in train a system of local government that he identified as "Basic Democracies." The purpose of the BD's, according to Ayub, was in the inculcation of values of self-reliance among the masses of Pakistan. The system that evolved from the grass roots emphasized rural uplift and was aimed at integrating the peasantry with the larger national development schemes envisaged by the country's leaders. Ayub insisted the nation could do without politicians who were needlessly argumentative and wasteful of the nation's scarce resources. Instead, the people were organized to work with the civil administrators who dominated virtually all levels of the BD system, but who were nonetheless judged capable of managing development programs. Ayub never suggested that his system was Islamic in form or content. But he certainly believed it better suited the genius of the people. The overwhelming majority of Pakistanis were declared unprepared for a full-blown experiment in parliamentary government. In the view of the nation's principal architect, they required tutors and guides, not political leaders who exploited their historic fears and suspicions. By the same token, references to Islam were deemed counterproductive, and appeared more to divide than unite the nation in common endeavor. Thus when his constitution was put into force in 1962 it supposedly left no place for political parties. But more important, it deliberately omitted references to the nation as an Islamic Republic.

Ayub had gone several steps beyond the Quaid-i-Azam in attempting to separate politics from religion. But he soon realized that his approach was too radical for the country's more conservative opinion leaders. Under pressure to formally acknowledge the country's Muslim purpose, the newly assembled national assembly quickly passed an amendment to the 1962 constitution reinstating the word "Islamic." Pakistan was again

officially proclaimed and described as an Islamic Republic and the criticism that had begun to mount in opposition to the administration somewhat subsided. The heavy nature of the influence that produced the change in the country's designation was discerned shortly thereafter when deliberations in the national legislature revived the political parties and even Ayub could not avoid membership in a hastily convened government party. It also came as no surprise when Ayub posed as a Muslim Leaguer and laid claim to Jinnah's mantle as well as the Islamic legacy. Discontent among the traditional Muslim League members, however, forced a slight modification in the nomenclature of Ayub's party; it was thereafter known as the Conventionist Muslim League whereas the old-line politicians adopted the name Councillor Muslim League. If Ayub or his advisors had serious intention of reviving the Muslim League, however, their actions seemed halfhearted and weak. It could be argued that the adoption of the Muslim League by Ayub more than likely sealed its fate. If it had not been reduced to ineffectiveness prior to 1958, its "revival" in 1962 caused its almost total demise as a popular representative organization.

From hindsight it could be hypothesized that the League would have better served the future interest of the nation and itself if it had prompted its own dissolution after achieving Pakistan. The postindependence period required a different set of principles than those under which the League operated in the freedom struggle. The movement that was the League had every opportunity to transform itself into a sophisticated political organization capable of handling nation-building responsibilities. A neutral name like the Pakistan National Party would have better conveyed the objectives of the organization. Pakistan was after all more than a Muslim homeland. It was also a congeries of distinct nationalities, geographically as well as culturally separated from one another. The union of disparate peoples, their merger into a compatible, cooperative community was not assured by mere references to common Islamic tradition. Moreover, the demographic realities placed more than half the population in East Bengal, and a significant portion of that group were Hindus. East Bengal accepted the notion of an independent Pakistan earlier than people in the Punjab, Sind, or the North West Frontier Province. The removal of non-Muslim League governments in the Punjab and NWFP proved to be no simple matter. The clash of views between those promoting Pakistan and those opposing its creation left a residual of ill-will that influenced future political developments in those provinces, often in very subtle ways.

The formation of the Republican Party following the acceptance of the

1956 constitution was a case in point. Like the Unionists who opposed the League in the Punjab prior to independence, the Republicans were rooted in local affairs, their concern resting on the retention of their vast landed holdings from which they drew their power and influence. The League was ill-equipped to deal with the Punjabi landlords given its inability to rally a peasantry dependent on local headmen. The Republicans were Muslims, but they seldom made reference to their Islamic heritage in pursuing their perceived vital interests. Islam could not be used by the League to offset landlord power.

In similar fashion the League could not cope with the feeling of inferiority that emanated from the Bengalis in East Pakistan. Indeed the League was seen aiding and abetting that inferiority. It came to be identified with the refugee or muhajir community that had settled in East Pakistan and that had assumed major responsibility for developing and managing the province's economic life. Associated with the power of the central government, which was lodged in the west wing, the refugees were accused of perpetuating colonial exploitation of the province. The Bengalis were quick to adopt indigenous organizations that allegedly better represented their aspirations. The demolition of the League by a united front composed of these parties in the 1954 provincial elections wrote an end to the League in East Bengal.

The League's intention to build Pakistan into a formidable Islamic Republic was destroyed by the inability of the organization's leadership to articulate the concerns of a diverse population. Jinnah gave inspiration to a movement that resulted in the formation of a new state. His successors, however, could not convert his success into meaningful policies. The Islamic Republic required statesmen of exceptional ability and foresight, erudition and ingenuity, wisdom and common sense. If such leaders existed they did not have the necessary power base from which to launch their programs. As a consequence, lesser figures assumed positions of influence and nation-building tasks were obscured by personal struggles for status and power. Even the civil-military bureaucracy could not correct the patterns forged in Pakistan's first decade. Ayub Khan ultimately succumbed to the same rivalries that plagued his predecessors. Yahya Khan fared no better. The dismemberment of Pakistan, the secession of East Bengal, seemed almost foreordained. Yahya could not break with the past and allowed himself to become a prisoner of events. Yahya played out a role developed in an earlier period; Pakistan was not only profoundly altered by the loss of its eastern wing, but the "liberation" of East Bengal by the Indian Army also confirmed inconsistencies between Pakistani theory and practice. The alliance forged between the Muslims

of East Bengal and the Hindus of India against the Muslims of Pakistan not only brought into serious question the spirit of the "two-nation theory," but it also accelerated other centrifugal forces in the west wing.

Provincialism did not terminate with the creation of Bangladesh. Instead it whetted the appetite of other autonomy seekers and would-be secessionists. The Islamic Republic of Pakistan seemed to reflect weakness rather than strength, and those who wished to remedy the situation were of different minds on how to proceed. The task of resurrecting the nation from the humiliation of defeat in the 1971 war with India fell to Zulfikar Ali Bhutto. Bhutto inherited the idea of the Islamic Republic, but his policies and programs did not contribute to the strengthening of the model. Moreover, Bhutto's quasi-socialist predispositions appeared contrary to the purposes of the Islamic Republic. His repeated reference to Islamic socialism, however, did influence the course of the Pakistan nation. Bhutto proved to be the transition between the Islamic Republic and the Islamic State. Even more than his predecessors, Bhutto sought a consolidation of power and the centralization of authority. His long-range program envisaged Pakistan as a one-party state, its government fully integrated, and the nation responsive to its commands and disciplined to live by set principles. It is doubtful, however, that those principles involved Islamic teaching per se. Bhutto's rule was conditioned by the dismemberment of the country. The Islamic Republic seemed a loose idea that permitted further unraveling of the socio-political fabric. Bhutto was therefore convinced that he was called upon to chart a new course and that the notion of a republic must be subordinated to that of the state. Nation-building was a noble goal, but state-building came first, and Bhutto set a course to mobilize and monopolize authoritative decision making.

Consolidation of Power

Bhutto was intoxicated by his own ambition. Convinced that he represented the answer to Pakistan's need for strong, determined leadership, reinforced in his perceptions by the state of national malaise that followed the 1971 war, and armed with new theory that emphasized mass mobilization, discipline, and almost blind obedience, he instituted a variety of reforms that virtually destroyed the prevailing power structure. The nationalization of key industries, banks, and insurance companies aimed at reducing the influence of the country's dominant families. He appealed to the laboring class and line government workers whose pay scales were summarily raised. At the same time he eliminated the privileged administrators by integrating all the public services into a single unified structure. In time, he hoped to combine the civil bureauc-

racy with his Pakistan People's Party (PPP) and thus merge administrative and political organs in an all-powerful government apparatus. Bhutto also sensed the need for a special police contingent, and the Federal Security Force (FSF) was organized to maintain surveillance and control serious opposition, to protect key personalities and, no less important, to intimidate the broader community. The establishment of Pakistan's first civilian government in thirteen years also necessitated keeping the armed forces in check. Thus officers suspected of "bonapartist" ambitions were isolated or retired, while others deemed to be more "professional" were elevated in rank.

Bhutto's confidants advised him to strike a heavy blow against the Punjabi and Sindhi landlords, but after gesturing that he would act on their advice, he backed off and instead enlisted their support. Bhutto's own landlord background could not be transcended. He sensed the need to use the landlords, to draw them into his political party. Moreover, he believed landlord support guaranteed the loyalty of the peasantry to the regime. He was also strong in his view that the landlords had been made dependent on his will and that they could be counted upon to serve the interests of the administration and the political organization. The ideologues within the PPP, however, held views at variance with those of their chairman and leader. They perceived a betrayal of the revolution, which for them called for the destruction of the "feudal" as well as "capitalist" classes. Therefore all the reforms were meaningless if the landlords were permitted to sustain their preeminence.

Contradictions within the ruling party also developed over policy toward the frontier provinces. PPP writ did not operate in Baluchistan or the North West Frontier Province (NWFP). Provincial parties and regional and tribal leaders monopolized the affection of the indigenous population, and defiance of the PPP leadership was considered a threat to the state. Political diversity, therefore, was translated as open rebellion, while efforts at forcing the tribal headmen in Baluchistan to accept the fiat of the PPP and the superior presence of Zulfikar Ali Bhutto (proclaimed the Quaid-i-Awam, Leader of the People), provoked violent confrontation. Bhutto was cautioned to avoid the trap of self-fulfilling prophecy, but he ignored this advice too and ordered the Pakistan army to crush what was perceived to be an armed insurgency. Bhutto declared the tribal sardar (chief) system terminated, and he urged the Baluch to join with him in establishing a new order in the province. The tribal folk, however, ignored his claim to represent them and chose to cling to their older tradition and local patriarchs. Thus the armed forces were ordered to perform an unsavory task, i.e., to destroy the "secessionists." The army had used violence against its citizens in East Bengal. They had also

seized and imprisoned the province's principal leaders. Such tactics had proved tragic there; they were no more successful in Baluchistan. Indeed, the arrest and imprisonment of Baluchistan's prominent sardars did not bring an end to the insurgency.

Hardly three years after achieving power, Bhutto lost the coalition that made his rule possible. Differences over policy and performance, but especially on the question of personal power, caused the leadership to rupture. The chairman's closest supporters were forced to leave the government, and a number were arrested. The FSF was expanded and it attempted to ferret out discontent and neutralize the opposition. Its heavy tactics provoked retaliation, and acts of violence were directed against symbols of government administration. On the other side, the FSF was implicated in plots aimed at physically destroying the opposition. The reported deaths of persons opposed to the government were rumored to have been caused by the secret police. The promise that was the People's Party in 1972 proved to be a harsh burden by 1975.

The students who once looked upon Bhutto as their guide and mentor also broke with the regime. They neither approved of Bhutto's choice of leaders nor found much satisfaction in his inconsistent policies and programs. Riots in Karachi, Hyderabad, Lahore, and other prominent municipal areas were often led and fueled by the student population. Nor did the government's repressive measures dampen the ardor of the young dissidents. Moreover, the deaths of students were followed by counterthreats against the government, implying that violence could not be restrained in circumstances involving police brutality. The assassination of the PPP's Mohammad Sherpao during a lecture at Peshawar University in 1975 symbolized the terror that had overtaken the country in the few years following the reestablishment of civilian government in Pakistan. Bhutto's reaction to the tragedy was to insist upon emergency powers to deal directly with questions of subversion and terrorism. He ordered the dissolution of the dominant party in the NWFP, the National Awami Party, and arrested its leaders who were implicated in the murder. Rumor circulated, however, that Bhutto's FSF had set the device that killed Sherpao and that the incident was part of a larger plot to liquidate the opposition.

The fact that Bhutto had given the country a new constitution in 1973 and had agreed to the re-creation of the parliamentary system seemed to have little influence on the course of events. The major activities were extra-constitutional, and the document neither limited the power of government nor prevented expressions of arbitrary power. Islamic practices were also obscured by the violent encounter between the forces of government and those who opposed it. Bhutto made reference to "Is-

lamic socialism" and seemed to stress the Muslim character of his rule, but he could not conceal the denouement of the Islamic Republic. Moreover, the PPP chairman drew the ire of the religious community. The ulema found fault with administration programs as well as Bhutto's personal behavior. The Jamaat-i-Islami was especially outspoken in its criticism and it sought to enlist the help of the students and others opposed to the performance of the regime. This conflict was to carry over into the election campaign that Bhutto authorized in 1977. The Pakistan National Alliance (PNA), forged from the numerous disparate political organizations in opposition to the PPP, adopted the defense of Islam as its central theme. It pitted itself against the PPP, which was described as an affront and threat to the Muslim way of life.

The PNA lost the election but not the struggle. The combined opposition rejected the results and demanded that the government, including Bhutto, resign and permit the holding of new polls. No one in the PNA believed Bhutto would submit to such a demand, and there was no prior agreement in opposition ranks to sustain pressure through broad-scale acts of civil disobedience. The failure of the FSF and the police to quell these disturbances forced the army into the picture, but it had little heart in turning its guns on still another segment of the citizenry. Thus after some fretful maneuvers, the military decided to take matters into its own hands. The country was perceived as disintegrating, and drastic measures were instituted to restore equilibrium. In July 1977, Bhutto was arrested in a military coup, his government was placed under martial law, the PPP was neutralized, and the FSF was disbanded. Although initially indicating that authority would soon be restored to civilian control, the military establishment gradually consolidated power and announced its intention to transform Pakistan into a model Islamic State. The transition was now complete.

The Islamic State

Pakistan's contemporary experiment with the construction of an Islamic State is a product of the nation's political history. Prior to independence Islam was not in danger. Rather, many Muslims perceived themselves to be in danger. After independence was granted, it was not the Muslims of Pakistan who were in danger, but Pakistan itself. It was the need to save Pakistan that prompted the armed forces to act in 1977, and to sustain their dominant political role into the mid-1980s. Pakistan was most immediately threatened by internal forces, or at least this was the perception of the military leaders. Domestic strife and division weakened the national fabric and hence permitted external forces to gain advantages. This was the lesson of Bangladesh and it remained the responsibil-

ity of the armed forces to inform the nation of its domestic plight as well as protect it from aggressive foreign enemies. The armed forces symbolized national interest and concern. Along with the civil administrators, they seemed alone in transcending parochial issues and regional questions. They firmly believed they best represented the national interest and were duty-bound to restore stability and order. Moreover, the leitmotif for the resurrection of Pakistan was Islam, and indeed an Islam that emphasized piety, discipline, conformity, and industry. There was no place for debate or differing viewpoints in this design. Pakistan's survival was at stake, and the times called for a rigid adherence to doctrine. In these circumstances and under such pressure, the Islamic State was ushered in.

Islam did not prevent the secession of East Bengal, and it was questionable if appeals to religion could prevent the further unraveling of the Pakistan design. The 1973-76 insurgency in Baluchistan and the efforts made to counter it involved considerable human and material cost. Although the army reduced the threat, the region remained in a volatile condition, tempered more by the Soviet assault on the people of Afghanistan than on Islamabad's call for Muslim unity. The disturbance that erupted in Sind in 1983 also emphasized the difficulty in establishing a centralized Islamic State. In the first part of 1983, riots raged through some of the densely populated neighborhoods of Karachi. Shi'ite and Sunni Muslims clashed over property rights as well as over government policy, which seemed more appropriate for the latter dominant community than the former. Bitterness between the sects had historic roots, and this latest demonstration of incompatibility reflected the ever-present nature of their dissatisfaction. The intensity of the combat forced the government to take stern action, but here again it was more a question of subduing the antagonists, not reconciling rival moral claims.

In the last half of 1983, acts of civil disobedience, verging on insurrection, spread through the interior of Sind province. Allegedly precipitated by General-President Mohammad Zia-ul-Haq's August 12th announcement of a "new" political system, the demonstrators attacked government installations and personnel with substantial loss of life and property. In the view of General Zia, the "new" political system was more true to Islamic precept and practice than anything Pakistan had experienced since its independence. Despite such assurances, however, there apparently was little popular inclination to adopt the administration's reform program. The population harbored grievances that the military establishment could not address. These grievances involved the desire for self-government, which military rule appeared to make impossible. The opposition was unimpressed with government attempts at

redesigning Pakistani political and legal institutions along religious lines. Indeed, the politically attentive public was more inclined to interpret the military government's actions as power reinforcing, rather than as a genuine and sincere effort at constructing an Islamic State.

General Zia's Islamic State; therefore, faced some of the same difficulties that the leaders of the Muslim League encountered in trying to build their Islamic Republic. They also seemed to be making the same mistakes. Neither openly addressed the question of cultural or regional diversity. Each sought to interpret differences and opposition as treason. Both insisted that they alone were capable and responsible for protecting and nurturing Islamic concerns. The Muslim League was not believed or accepted as the legitimate instrument of Islamic representation; and the civil-military bureaucracy was also denied such stature. The politicians refused to remain silent despite the "defunct" label ascribed to them by the martial law authorities. They were incensed by government efforts to deny their activity and, as was the tradition in the subcontinent, many politicians courted arrest in order to dramatize their cause and opposition to the administration. The authorities obliged them by incarcerating political leaders as well as rank and file members. But their imprisonment served neither the purpose of government nor reconciliation. Under extreme pressure, criticism waxes into intense dislike and the mistrust created operates against brokering a future compromise satisfactory to the parties. The hardening of animosities between the government officials on the one side and their opposition on the other also makes the construction of a viable political system, albeit an Islamic political system, virtually impossible.

The major obstacle in building an Islamic State is the pervasive demand for broader participation and self-expression. Democracy has been long nurtured in the Pakistani psyche. Events have conspired to prevent a representation of that sentiment, but it survives among the politically conscious and it is revealed by their determination to struggle against authoritarian actions, no matter how they are embellished. Opposition to the Provisional Constitution Order of 1981 that superseded the 1973 constitution is a reflection of this attitude. The displays of concern registered by the legal fraternity over the creation of shariat (Islamic law) and qazi (Islamic judge) courts are more than cries of anguish over the loss of livelihood and position. By the same token, their pleas in behalf of the 1973 constitution are more than self-serving. Pakistan's lawyers have been cast in the difficult role of national conscience. The politicians have either been repudiated or discredited. If not, their partisan activities have nullified their effectiveness. The country's journalists are no more effective, given the constraints imposed upon them by government. They

cannot play guardian to Pakistan's democratic spirit. This role clearly falls upon the shoulders of the legal community, and it is for this reason that the lawyers have reacted so intensely to government programs concerned with Islamicizing the judicial system.

Although flawed, the 1973 constitution gave voice to a multitude of opinions and guaranteed basic rights inherent in democratic tradition. The martial law government agreed to retain the document, but it refused to put it into force. The document, the lawyers have argued, was only limited by those responsible for its implementation. If the spirit of the constitution was honored by those in authority, it could meet the needs of the population and also do justice to Islamic tradition. This also has been the principal argument of a broad cross section of the intelligentsia.

The martial law government, however, refused to accept that interpretation. Pakistan's political history has been traumatic, and the fear persisted in military and civil bureaucratic ranks that any reduction in their authority will accelerate those centrifugal forces that have already shredded the national fabric. Pakistanis, according to this logic, do not possess the cohesiveness that promotes accommodation and cooperation, and it is only the integrity and unity of the armed forces and higher bureaucracy that sustains the nation. The Islamic State is aimed at drawing the many disparate social elements together, it seeks to create a harmony of interests wherein the communities can learn to co-exist, but it is not a substitute for strong, determined government. Thus the Islamic State developed by the Zia administration was intimidating as well as reassuring, threatening as well as promising.

Conclusion

The Islamic State has been described by its critics as a cover for outright dictatorial government. The military establishment suffered serious wounds during the Pakistani civil war, and the loss of East Pakistan has been traced to its malperformance. In December 1971, the generals relinquished political authority and repaired to the barracks to treat their injuries and rebuild the forces under their command. Less than six years later they returned to the political stage, removed the civilian government that it had installed, and reestablished their rule. The senior officers were sensitive to the changes introduced by Bhutto's Pakistan People's Party. They were especially concerned with the influence of those changes on the armed forces. But they were also conscious of the shift away from the notion of Pakistan as an Islamic Republic, and they pondered its significance.

New forces had been unleashed in the wake of the civil war. Years of petty intrigue and political jousting had taken their toll. Political stability

proved elusive and political development was stillborn. Political atrophy was the result and national leaders had become an endangered species. In such circumstances, reviving the Islamic Republic was judged unrealistic. It was never more apparent that the Islamic Republic was meant to be the outer garment for the inner working of the modern, secular nation. Thus the emphasis on parliamentary practices, competitive politics, constitutional guarantees, and open expression, an emphasis never fully operationalized, but nevertheless sustained even through the Ayub and Yahya years. But the 1971 war and the subsequent rise of Bhutto and the PPP wrote an end to this outlook, even if the 1973 constitution bears some resemblance to Pakistan's first constitution and the country was described as a parliamentary state. Indeed, it is necessary to look behind the 1973 constitution in order to understand how Bhutto transformed Pakistan and set in train the forces that currently influence the nation's destiny. Bhutto's concern with centralization of authority, political pre-eminence, and virtual blind obedience did great damage to the competitive society and proved threatening to any expression of diversity. Neither the Baluch nor the Ahmediya community were protected from the heavy-handed tactics of the Bhutto administration. The same could be noted for a variety of other political, religious, ethnic, or regional groups.

The weakening of bridges to the Anglo-American experience caused Pakistan to lean more heavily on Islamic tradition for its inspiration and guidance. And it was that tradition that the Zia administration superimposed over the Bhutto performance. The Bhutto/PPP legacy had stressed the centralization of power. The military leaders sustained that posture but sought to enhance its popularity through association with the Islamic State. But the Islamic State had yet to prove it could cope with diversity and division, with modernization programs and creative expression. The Islamic State differed from the Islamic Republic in that it demanded more conformity and seemed unsympathetic to members of the minority communities. It appeared to permanently separate rather than integrate the heterogeneous people of Pakistan. Moreover, leadership had yet to emerge with the necessary wisdom to blend fundamental beliefs with liberal thought. The ongoing contest between those representing blind obedience and those insisting on discretionary innovation had intensified rather than diminished both inside and outside Pakistan. It was also difficult for sophisticated people to envisage the armed forces and civil bureaucracy making or executing Islamic policy. Soldiers were not credited with shaping Islamic norms. Furthermore, the civil-military apparatus did not blend well with Pakistan's fundamentalist ulema. Nor was the Council of Islamic Ideology transformed into a nocturnal council

of extraordinary powers. In sum, the Islamic State remained ill-defined and although predicated on promoting national unity, seemed more likely to exaggerate divisiveness. Nor could institutions like the Majlis-i-Shoora (Advisory Council) or the Wafaqi Mohtasib (Muslim ombudsman) bridge this dilemma or obscure the realities of power.

In these circumstances, the military establishment could not avoid criticism or the pressure that went with authority in a divided land. But the prevailing conditions also raised other questions. In Pakistan there were groups and individuals who represented the purposes of neither the Islamic Republic nor the Islamic State. They too were the beneficiaries of forces generated during the Bhutto years. These ideological, socio-political actors also rejected the Western political experience and marched to the rhythm of a different drummer. Only time will tell whether the problems created by years of discontent and disillusionment will prove the undoing of the Islamic State. And if the experiment with the Islamic State fails, will it still be possible to resurrect the Islamic Republic? If not, what course is Pakistan likely to follow?

“JUST IN TIME!”

China Battles Spiritual Pollution on the Eve of 1984

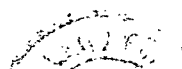
Thomas B. Gold

In the fall of 1983, as the bourgeois democracies undertook to appraise just how much their societies resembled the Oceania depicted in George Orwell's 1984, People's China engaged in an Orwellian drive to rid itself of "spiritual pollution." Employing the language of Newspeak and the logic of doublethink, what started out as a criticism of pornography and certain trends in theoretical, literary, and art circles, expanded swiftly into an attack by elements in the Chinese Communist Party (CCP) at all levels against a broad range of phenomena and social forces. Coming after five years of unprecedented opening to the outside world and bloodless domestic reform, it seemed to signal the dropping of the other shoe, an event long expected by people skeptical of the degree to which any communist party could really overhaul itself or restructure its relation with society. After reaching a climax in mid-November, the drive—which its proponents self-consciously denied was a Cultural Revolution-style "campaign"—was reined in and more or less dropped into the memory hole by the dawn of 1984.

Occurring within the context of Deng Xiaoping's mounting of a thoroughgoing rectification of the CCP to eliminate his opponents and to emplace trustworthy pragmatic successors, the spiritual pollution campaign can be analyzed as primarily an elite power struggle. But the content of the criticism of those things labeled as "spiritual pollution," the way the campaign metastasized, and its indeterminate demise reveal on a deeper level the new relation between the CCP and Chinese society that has taken shape since the death of Mao and especially since 1978.

Thomas B. Gold is Assistant Professor of Sociology, and at the time this article was written, Vice Chair of the Center for Chinese Studies, University of California, Berkeley. The author would like to thank Larry Sullivan, David Bachman, and J. for frank and comradely comments on an earlier draft of this article, and Perry Link, Rudolf Wagner, and Mayfair Yang for their discussants' remarks when it was presented at the California Regional China Seminar at the University of California, Berkeley, on April 7, 1984.

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In this article, I will first describe the context of the anti-spiritual pollution drive, then trace its rise and demise from October 1983 through January 1984, drawing attention to key activists and targets. After this, I will examine the main issues in the criticism of spiritual pollution on the ideological and literary-art fronts—talk of humanism and alienation in socialist society. In the final section, I will use the content and way the movement proceeded to draw conclusions about the present condition of Party-society relations in China.

My thesis is that over the past five years, there has developed within the CCP strong opposition to the external opening, social freedoms, and internal Party reforms from both the left and the conservative aging peasant revolutionaries. Certain social forces—young workers, students, literati, and philosophers—took advantage of the CCP's discrediting and demoralization to assert their individuality and interests against Party hegemony, in both behavior and theorizing. Even if they accounted for only a "tiny minority" of the total, they obviously aroused tremendous discomfort among Party cadres, who tried unsuccessfully to check them several times. To prepare for a rectification of the Party's remnant leftists and his other opponents, as well as to stem the continued diminution of respect for the CCP, Deng Xiaoping called for criticism of "spiritual pollution"; but this unleashed the pent-up frustrations of left and conservative Party members who used it as a vehicle to attack elements they disliked inside and outside the Party. The movement spread rapidly and well beyond the area initially demarcated by Deng. It disrupted the much-prized social stability, alienated terrorized peasants and technicians, and frightened foreigners hoping to invest in China's development. This threatened the Four Modernizations program, which is the basis of the CCP's claim to legitimacy and Deng's power; it had to be stopped. Deng set limits designed to protect the people needed for modernization, to keep the masses within acceptable bounds, and to severely control critics. But it did not solve the fundamental problems of the acceptable limit of social autonomy in China, or how to deal with the capitalist world.

The Context of the Drive

The timing of the first attacks on spiritual pollution in October 1983 was not fortuitous. It was intimately related to other socio-political trends then entering a phase of intensification: the Party rectification, crackdown on crime, and internationalization of the economy.

Most important was the Party rectification (*zhengdun*).¹ Prior to this,

1. In official translations, this was rendered as "consolidation," a milder word but not correct.

Deng Xiaoping had compelled gerontocratic cadres to retire and, in order to lead the modernization drive, had tried to recruit technical experts into the CCP to replace the generally uneducated peasants who had staffed it up to then. Although on the agenda for some time, the actual rectification did not officially get underway until the Second Plenum of the Twelfth Central Committee adopted "The Decision of the Central Committee of the Communist Party of China on Party Consolidation" on October 11, 1983.²

Slated to take three years, the consolidation's four main tasks were: achievement of ideological unity; rectification of work style; strengthening of discipline; and purifying Party organizations. For the fourth task, the prime target for expulsion was the "three types of persons" (*sanzhongren*): those "who rose to prominence by following the counter-revolutionary cliques of Lin Biao and Jiang Qing in 'rebellion'; those who are seriously factionalist in their ideas; and those who indulged in beating, smashing and looting."³ Persons who resisted the Party's post-1978 line or had committed economic or other crimes would also face expulsion.

The "Decision" indicated that the rectification would proceed in an orderly manner, from the top down, relying primarily on study of required texts and criticism-self-criticism. The "correct" opinions of non-Party members would be solicited, but "on no account should the past erroneous practice of 'letting the masses consolidate the Party' or letting non-Party members decide issues in the Party be repeated."⁴ In other words, the excesses and loss of control that characterized the rectifications of 1957 and 1966 were both to be studiously avoided.

The internal rectification is part of Deng Xiaoping's grand plan for restructuring Party-state-society relations, democratizing political life, and subordinating Party and non-Party activities to the rule of law.⁵ Since the Third Plenum of the Eleventh Central Committee in December 1978, the CCP's central task has been redirected from social transformation through class struggle, to the achievement of socialist modernization. With Party prestige at an unprecedented low because of the Cultural Revolution (CR) and the subsequent revelations of corruption, incompetence, and despotism, Deng wanted to rebuild the CCP and its

2. English text is in *Beijing Review* (hereafter *BR*), No. 42, October 17, 1983, pp. I-XI.

3. *Ibid.*, p. II.

4. *Ibid.*, p. VII.

5. This is formulated most clearly in his speech of August 18, 1980, "On the Reform of the System of Party and State Leadership," in *BR*, No. 40, October 3, 1983, pp. 14-22, and No. 41, October 10, 1983, pp. 18-22.

prestige by basing its claim to legitimacy on its measurable success at economic development. The Agricultural Responsibility System and enterprise autonomy are examples of the direction the Hu Yaobang-Zhao Ziyang leadership he nurtured was taking to stimulate the economy by liberating the most productive people from stifling administrative control. Successful economic development occurred in inverse proportion to direct Party leadership. Peasants and technical experts were indispensable players and were supposed to be granted unprecedented leeway to pursue their activities. Although the Twelfth Party Congress and Second Plenum criticized bourgeois liberalization and other rightist deviations in certain spheres, the clear thrust of the reform was against the left. The rectification ostensibly would benefit Party and non-Party pragmatists and experts, granting them more scope for their work, while posing a threat to careerists and apparatchiks who obstructed the modernization program. But Party members became confused about their function in this fast-changing environment.

The other major social trend was the severe crackdown on crime. Rampant social disorder was a legacy of the CR and was also fueled by the post-1978 emphasis on improved material life as people, usually youths, who were unemployed or holding marginal jobs turned to crime to obtain the consumer goods appearing in abundance. The opening to the West further raised their aspirations for material goods and a more diverse life style, resulting mostly in the pursuit of individual pleasure and only occasionally involving actual criminal activities—with many of the most flagrant offenders the pampered offspring of high-level cadres (*gaogan zidi*). In large part young people just wanted to be spared the incessant politicization and chaperoning the Party imposed on their lives.

Although the crime rate was not even 2% of that in the United States, its persistent rise had alarmed the Chinese leadership. In July 1983, the police began a massive sweep, rounding up thousands of criminals in one night in major cities. After quick trials and public denunciations, many were put in trucks and, in the age-old Chinese fashion, paraded through the streets before being executed, to teach a harsh lesson to the spectators. Many were dispatched in groups.⁶ An estimated 6,000 people were executed in the second half of 1983, prompting a protest from Amnesty International.⁷ Pleased officials reported a 50% drop in Bei-

6. See, for example, Liu Ping, "Dakai Shajie Houmian" (Behind the Big Killings), in *Zhongguo Zhi Chun* (China Spring), No. 6, September 1983, pp. 9–10.

7. *Far Eastern Economic Review* (hereafter *FEER*), February 16, 1984, p. 12, and November 10, 1983, p. 14.

jing's crime rate by October, and this apparently received widespread support from a citizenry fed up with disorder.

The rectification and crackdown occurred in the course of the continuing internationalization of the Chinese economy via trade, direct foreign investment, and loans as part of the strategy of "opening to the outside and invigorating the domestic economy" (*duiwai kaifang, duinei gao huojingji*). To a greater extent than any other socialist society, China has turned to the capitalist countries for the know-how and capital needed to develop its economy. The outside world also impinged on Chinese society via tourists, businessmen, teachers, experts, students, and Overseas Chinese who ran all over the country. Foreign philosophy and art came in along with hard currency and capital goods and found numerous Chinese willing and eager to savor them, especially artists, intellectuals, and urban youths. Criticism of the resultant "bourgeois liberalization" and decadence, especially in the arts, had persisted since 1978, but had not been allowed—by Deng—to erupt into a mass campaign comparable to the Anti-Rightist Movement or Cultural Revolution.

October 1983, then, saw the coming together of criticism of foreign ideological influences and an official crackdown on antisocial behavior in society, intensified by the start of a concerted drive against powerful elements within the CCP. A broad range of people in the Party, threatened by Deng's reforms, used the pretext offered by his call to eliminate spiritual pollution to mount a desperate attack on the reforms in an effort to preserve their power.

The Drive to Eliminate Spiritual Pollution

DENG'S SPEECH AT THE SECOND PLENUM

The first official call to "eliminate spiritual pollution" (*qingchu jingshen wuran*) appeared in the documents of the Second Plenum of the Twelfth Central Committee, which met on October 11–12, 1983.⁸ "The Decision of the Central Committee of the CPC on Party Consolidation"

8. Well before the Plenum, at the fourth meeting of correspondents held by the magazine *Banyuetan* (*Fortnightly*), Deng Liqun used the phrase "spiritual pollution," according to *Ming Bao*, October 21, 1983; in *Foreign Broadcast Information Service* (hereafter *FBIS*), October 24, 1983, pp. W2–W3. According to *Zheng Ming* (hereafter *ZM*) of February 1984, Deng Liqun used the term as far back as June 4 in a speech at the Central Party School (Lo Ping, "A Fierce Struggle in Zhongnanhai," *ZM*, No. 76, February 1984, pp. 6–11, in *FBIS*, No. 026, February 7, 1984, pp. W1–W11. Also prior to the Plenum,

released on October 11 calls on all Party members, especially leading Party cadres, to

enhance their understanding of the theories of Marxism-Leninism and Mao Zedong Thought and the policies based on them, raise their sense of dedication to the revolutionary cause and their sense of political responsibility, dare to combat all hostile forces disrupting socialism, fight against decadent bourgeois ideology, against acts of creating spiritual pollution and against the abuse of power and position for personal gains so that they will set a good example for the broad masses of Party members and guide the masses to make efforts to become people with high ideals and morality, cultural knowledge and sense of discipline.⁹

In a major—as yet unpublished—speech at the Plenum, Deng Xiaoping defined “the substance of spiritual pollution as disseminating all varieties of corrupt and decadent ideologies of the bourgeoisie and other exploiting classes and disseminating sentiments of distrust towards the socialist and communist cause and to the Communist Party leadership.”¹⁰ This became the official definition of the term.

In what is generally agreed to have been a tactical feint against the right in order to garner support from the Party's left for the impending rectification, Deng asserted the pressing need for correcting rightist tendencies of weakness and laxity in Party leadership that had opened the door to such spiritual pollution. That is, he called for a reversal of the recent trend of Party retrenchment from decisive social guidance. Later documents reiterated this appeal to the left, complaining that with the sustained attack on ultra-leftism, too many cadres had feared to criticize anything and risk being tagged an “ultra-leftist.”¹¹ This would actually appeal as much to staunch Party conservatives as to remnant leftists.

Subsequent to the Plenum, provincial and municipal Party committees met to study the “Decision.” One by one they ritualistically called for preparations to get the rectification underway. The general thrust of their communiqués was to root out “leftist” thinking; only rarely was the term

probably at Deng Liqun's instigation (in his capacity as Director of the Central Committee's Propaganda Department), Yue Ping's article, “It is Imperative to Adhere to the Marxist Stand in the Ideological and Theoretical Front” (*Guangming Ribao* [hereafter *GMRB*], October 18, 1983, p. 1), also used the term. Hu Yaobang had used the word “germs” on a number of occasions in 1982 (*bingzhūn*); especially see his talk of April 24, 1982, with Deng Liqun and others, “*Guanyu sixiang zhengzhi gongzuo wenti*” (Concerning Questions in Ideological and Political Work), in *Hongqi* (Red Flag), No. 1, 1983, pp. 2–12.

9. Documents are in *BR*, No. 41, October 17, 1983, pp. I–XII (“Decision”).

10. *Renmin Ribao* (People's Daily, hereafter *RMRB*), November 16, 1983, p. 1.

11. For instance, Wang Zhen's talk of October 23, in *FBIS*, No. 208, October 26, 1983, p. K2.

"spiritual pollution" used, and even then it received no special emphasis. It was mentioned in terms of internal Party rectification, not larger social phenomena. The Third Plenary Session of the Central Commission for Discipline Inspection met October 17–25 and reaffirmed the necessity of resisting and eliminating spiritual pollution.

BROADENING THE SCOPE

The scope was first expanded in President Li Xiannian's welcoming speech to the Tenth National Trade Union Congress, presented on October 18 and published front and center on the first page of *Renmin Ribao* the next day. Li noted that the Chinese working class "can surely also resist and overcome all forms of spiritual pollution"¹² that were affecting a part of the proletariat, especially young workers.

On October 21–26, the Central Committee convened a forum attended by more than 270 representatives of the democratic parties,¹³ and persons with no party affiliation. The sessions were intended by the Communists to explain the objectives and scope of the Party rectification and the meaning of the criticisms of spiritual pollution, and also to convey their sincere desire to solicit outside opinions. Probably the majority of listeners had been capped as rightists in 1957 and suffered two decades of ignominy for responding to a similar "sincere" appeal during that earlier rectification. The sense of *deja vu* and understandable apprehension was palpable.

Anticipating what the audience was thinking, CCP speakers tried to allay their fears by assuring them that the CCP was determined to rectify itself and sincerely sought their opinions, promising no retaliation against critics. The first speech was made by Peng Zhen, member of the Politburo and chairman of the National People's Congress (NPC) Standing Committee. With no apparent trace of irony he said:

Those present are all old friends of our party. It is a party tradition that we consult with you when matters arise. It is all the more necessary for us to consult with you on such a major matter as party rectification. . . . [I] hope that those present would freely state their views in order to help the Communist Party do a good job in party rectification. . . . The current rectification is aimed at solving problems within the Communist Party, and it is in no way aimed at rectifying democratic parties or nonparty personages.¹⁴

12. *FBIS*, No. 203, October 19, 1983, p. K2.

13. The democratic parties are: Chinese Peasants and Workers Democratic Party; Jiu San Society; China Association for Promoting Democracy; Revolutionary Committee of the Kuomintang; China Democratic League; Democratic National Construction Association; China Zhi Gong Dang; Taiwan Democratic Self-Government League.

14. *FBIS*, No. 206, October 24, 1983, pp. K2–K3.

Over the next few days, Deng Liqun (member of the CCP Central Committee Secretariat and director of the Central Committee's Propaganda Department)¹⁵ and Hu Sheng (director of the Party History Research Committee), addressed the convocation. CCP General Secretary Hu Yaobang met the delegates on October 27. Deng Liqun's speech focused on the spiritual pollution issue. Several non-Party members made speeches, which CCP leaders listened to "attentively" and applauded. The speakers supported the CCP's rectification and its drive to eliminate spiritual pollution throughout society. Xu Deheng, chairman of the Jiu San Society, listed examples of spiritual pollution:

The influence of decadent bourgeois ideology and its corrosion have become more serious, and certain books, magazines, audio tapes and videotapes which spread pornographic, absurd and reactionary materials have become important causes of juvenile delinquency, and liberalization concepts of the bourgeoisie and all kinds of corrupt ideologies have invaded our society's ideological, theoretical, literary and art spheres.¹⁶

These events indicate the extent to which the leadership was aware of the extreme sensitivity of the nation's intellectuals and other prominent figures to "rectifications" or "eliminations" of any kind. The leadership's solicitude showed its determination to gain the cooperation of these intellectuals and other "democratic personages" to bring about successful modernization. Their usefulness in the impending reunifications with Hong Kong, Macao, and Taiwan was also very important.

At the same time, when provincial Party committees met to discuss the upcoming rectification, the issue of spiritual pollution gained a prominence in their communiqués not evident in the first statements a week earlier. The Party's theoretical journal *Hongqi* (Red Flag) detailed the many forms of spiritual pollution in its second October issue.¹⁷

15. Originally seen as a reformer close to Deng Xiaoping in his attack on the What-everists, Deng Liqun became increasingly conservative and served as the leading anti-spiritual pollution activist. For more on him, see Lo Ping, "A Fierce Struggle," p. W2. The Propaganda Department is the functional equivalent of 1984's Ministry of Truth.

16. *FBIS*, No. 211, October 31, 1983, p. K2. In addition to these conferences, in early November the democratic parties held their national congresses, a year ahead of schedule. Several CCP Central Committee members attended congress sessions to offer congratulations and, more important, once more allay fears that democrats, most of whom were intellectuals, were being trapped again into publicly criticizing the CCP only to be attacked for it later. All of this convening reflects a high degree of tension among intellectuals and fears among CCP leaders of the consequences of this for modernization.

17. Shi Youxin, "Sixiang Zhanxian Buneng Gao Jingshen Wuran" (It is not Permitted to Make Spiritual Pollution on the Ideological Front), *Hongqi* (Red Flag), No. 21, October 1983; in *Xinhua Wenzhai* (hereafter *XHWZ*), No. 12, December 1983, pp. 3-5.

INCREASED BELLIGERENCY AND "TAKING A STAND"

A *Renmin Ribao* (RMRB) front-page editorial, "The Four Pillars Which Hold Up the Sky," on October 23 signaled a new, harsher stage in the campaign. It reaffirmed the antiliberal "Four Basic Principles" (*sixiang jiben yuanze*)¹⁸ first propagated by Deng Xiaoping in the spring of 1979 in the wake of bold experimentation and exposure of social ills in literary works. The editorial claimed that a tiny minority of people expressed doubt and opposition to those principles, notably on the theoretical and literary and art fronts. This resistance was one factor behind the creation of spiritual pollution. This prominent editorial clearly legitimated criticism of errant theoretical and literary workers.

From this time through November and into December, spiritual pollution became a topic in its own right, not necessarily linked to Party rectification. In addition to newspaper articles and editorials, Party leaders made speeches, convened fora, and gave interviews to convey the predominant view on the issue. It became clear that various phenomena were being lumped together as examples of spiritual pollution and that, beyond members of the public trafficking in pornography, the big targets included Party theoreticians, Party and non-Party literary and art figures, as well as the cadres charged with overseeing them.

A very important speech that launched the attack against spiritual pollution among theoretical workers was Politburo member and Central Party School president Wang Zhen's address on October 23 at the founding of the Chinese Society of Scientific Socialism and the Fourth National Symposium on Teaching Scientific Socialism in Party Schools held in Nanjing. In his hardline talk, promoted as "conveying the instructions of Comrade Deng Xiaoping," Wang criticized the "rightist tendency" of weakness and laxity on the part of many cadres. He also introduced one of the central themes of the campaign:

Some people have claimed that our country today is still not a socialist country, or that our country's socialism is agricultural socialism; and some people have persisted in propagating the so-called "alienation in socialism," asserting that in a socialist society, alienation not only exists in the ideological field but also in the political and economic fields. Some others have gone even further by saying that "the root of alienation lies in the socialist system itself." Such viewpoints are diametrically opposed to Marxist theory regarding scientific

18. The Four Basic Principles are: leadership of the CCP; the socialist road; the dictatorship of the proletariat (renamed the People's Democratic Dictatorship); and Marxism-Leninism-Mao Zedong Thought as the guiding ideology.

socialism, and are, in essence, sowing distrust in the cause of socialism and communism and in the Communist Party as well.¹⁹

Some people poked fun at communist propaganda and resisted criticism, Wang said. He urged new efforts at building Marxist theoretical contingents to counter this trend.

Subsequently, a spate of articles in *RMRB* and the intellectual-oriented daily *Guangming Ribao* (*GMRB*) addressed the matter of alienation in socialist society. Most were directed at Zhou Yang, long-time cultural czar, for a speech he had made the previous March, even though he was not named. On November 6, in an interview with a Xinhua reporter, Zhou revealed that he had been criticized at a Central Advisory Commission meeting. He criticized himself for his carelessness and expressed his support for the anti-spiritual pollution drive. He did not, significantly, recant the essence of his remarks on alienation under socialism—just his carelessness.

Another front was opened against spiritual pollution in literary and art circles. Minister of Culture Zhu Muzhi told a forum of 20 cultural worker delegates to the Tenth National Trade Union Congress that strong measures would be taken to eliminate spiritual pollution in theoretical and literary and art circles.²⁰ *RMRB* on October 31 front-paged a commentary, "Raise High the Socialist Banner in Literature and Art; Resolutely Prevent and Eliminate Spiritual Pollution," that listed examples of it, while another article by Deng Yizhong and Chong Chengxiang named a number of error-filled works.

Soon after, professional associations and other units in the literary world held meetings, and noted figures, both cultural bureaucrats and creators, came forward to "take a stand" (*biantai*). Victims of the Yanan Rectification (such as Ding Ling and Ai Qing), of the Anti-Rightist Movement (such as Liu Shaotang and Wang Meng), and of the CR (virtually everybody), as well as those few who had maneuvered successfully over the years (such as Zang Kejia) expressed their support for the drive either at meetings or in interviews with the press. The oft-repeated phrase was that the drive had come "just in time!" (*jishi*).

On November 10, in his capacity as chairman of the All-China Federa-

19. *FBIS*, No. 208, October 26, 1983, p. K2. On October 24, *RMRB* printed a precis of Wang Zhen's talk, leaving out his reference to alienation. The next day it frontpaged the entire text. Analysts in Hong Kong understood this to reflect resistance to Wang Zhen's criticism of alienation theory and newspapers by Wang Ruoshui, *RMRB*'s deputy editor-in-chief, and one of the chief figures in the discussion of alienation. *Qishi Niandai* (*Seventies*), No. 12, December 1983, pp. 57-58.

20. *RMRB*, November 2, 1983, p. 3.

tion of Literary and Art Circles, Zhou Yang accepted a measure of blame for the spiritual pollution in associations under his stewardship and urged everyone to engage in criticism and rectification, as in Yanan. Yang Hansheng and Lin Mohan expressed similar views, urging strengthened organization and leadership to eliminate spiritual pollution.²¹

The campaign began to attract unfavorable foreign press reports, and on October 28, Deng Liqun met with Associated Press reporters to calm things down. He delineated four categories of spiritual pollution: spreading things that are obscene, barbarous, or reactionary; vulgar taste in artistic performances; efforts to seek personal gain, and indulgence in individualism, anarchism, and liberalism; and writing articles or delivering speeches that run counter to the country's social system. Sensitive to foreign fears and criticism, he also assured the reporters that, chastised by their own suffering in the CR, Party leaders would never permit another such campaign.²²

Mobilizing Society

The attack on spiritual pollution was not limited to theoreticians and artists who produced the stuff. Besides stemming pollution at its source, its potential consumers were also being taught to resist it, while at the same time, cultural workers were attempting to produce "healthy" works for the masses to enjoy.

At the Tenth National Trade Union Congress, for instance, Zhang Zicheng, chairman of the Municipal Trade Union Council of Shantou in Guangdong (one of the Special Economic Zones and thus fertile ground for pollution) called for running cultural, sports, reading, and technical coordination centers.²³ Staffers in a foreign trade unit were assembled and told to hand over any pornographic materials or tapes in their possession and warned about their dangers.²⁴ Wuhan University strengthened guidance over student associations and publications. At Beijing University, ten thousand people attended a meeting on school discipline and resisting spiritual pollution. The Guangxi Women's Federation's Sixth Executive's fourth enlarged meeting heard a warning about spiritual pollution.

In Lanzhou, the Gansu Armed People's Police Force guided "cadres and fighters in reading good books and singing revolutionary songs" to

21. *RMRB*, November 11, 1983, p. 1.

22. *China Daily*, November 3, 1983, p. 1.

23. *FBIS*, No. 207, October 25, 1983, p. K13.

24. Interview. The subject insisted that the object of the drive was primarily to root out pornography and that no one he knew was worried.

prevent a recurrence of unhealthy tendencies that had led some of them to "wear mustaches and whiskers, sing unhealthy songs, be undisciplined and not keep their minds on their work and want to be demobilized and return home at an early date."²⁵ Athletes, especially those who compete abroad, are to receive more ideological education to resist the decadent ideologies and capitalist modes of life they might come in contact with, presumably to avoid the fate of tennis star Hu Na.

Because young people are especially susceptible to spiritual pollution, the Party is taking an aggressive stance in educating and creating healthy activities for them. In Xian, at a four-day provincial Party Committee meeting in late October 1983, youths were called "victims of pollution," and Party members were urged to "boldly get in touch with them and solve actual problems in young people's thinking."²⁶

Party committees met to criticize spiritual pollution in minority areas as well. Xizang (Tibet) First Secretary Yin Fatang said one could find the same tendencies there as in Han areas, and, in addition, "feudal superstitions and illegal religious activities that do not observe the Constitution or abide by the spirit of the relevant central documents."²⁷ By November, the drive on all fronts intensified, and it claimed its first victims: Hu Jiwei, director since 1982 of *RMRB*, and Wang Ruoshui, its deputy editor-in-chief.²⁸ With them out of the way, the tone of criticism in *RMRB* and elsewhere took a decidedly harsher tone.

RMRB's Commentator, now more closely representing Deng Liqun's Propaganda Department, claimed that "elimination of spiritual pollution is also a form of emancipation of the mind." His reasoning was that to criticize only the left and advocate and use rightist bourgeois liberalist ideas is one-sided and just as much a mental shackle as leftism. Therefore, one must criticize these rightist tendencies to restore balance.²⁹ In the same vein, *GMRB's* Commentator explained that it was expressly to foster the flourishing of literature and art and to let a hundred flowers bloom that the struggle against spiritual pollution and the reassertion of Marxist guidance were underway.³⁰ In other words, ignorance is strength.

On November 16, *RMRB's* Commentator, again on page 1, discussed the measures to be taken for the "elimination" of spiritual pollution.

25. *FBIS*, No. 214, November 3, 1983, p. T7.

26. *FBIS*, No. 212, November 1, 1983, p. T2.

27. *FBIS*, No. 214, November 3, 1983, p. Q2.

28. According to an AFP report, in *FBIS*, No. 220, November 14, 1983, p. K1.

29. *RMRB*, November 12, 1983, p. 1.

30. *FBIS*, No. 215, November 4, 1983, pp. K2-K3.

First, of course, pornographic items would be prohibited and their distributors handled according to law. But the major measure was "active ideological struggle" (*jiji di sixiang douzheng*). He wrote that it must not go overboard, but neither may it be lax and perfunctory. Those being criticized must be allowed to explain and defend themselves, and the whole process should be civilized and based on seeking truth from facts. The writer scoffed at foreign press reports that this was a new "campaign" (*yundong*). Rather, he argued, "it's not a campaign, but a commonplace task (*jingchang xing di gongzuo*) for building socialist civilization." He also denied that it was a movement to suppress Western culture. In language virtually identical to the diatribes against "crawling behind at a snail's pace" and "foreign slave philosophy" of the xenophobic 1974–75 period,³¹ the Commentator affirmed that they have never opposed absorbing beneficial things from abroad that suit China's conditions, but they will resist harmful and poisonous things.

Mao Zedong began to receive increased favorable publicity for the first time in years, as the commemoration of his 90th birthday approached. Conferences were held on his life and work, such as the National Seminar on Mao Zedong Thought in Nanning on November 5–12. His name was invoked in support of the spiritual pollution boycott.

By this time, Chinese studying abroad were noticeably disturbed by what they read in the press. They were loathe to ask relatives and colleagues at home to describe what was going on via the mails, which were opened, so their tension grew. Intellectuals on visiting delegations were likewise confused and unable to explain what was happening or to allay the fears of those living abroad. The latter continually pondered the questions: How was it being implemented? Would it get out of hand as happened in the Anti-Rightist Movement led by Deng Xiaoping or, even worse, the CR? Would Deng Xiaoping's guarantees to intellectuals be honored? Would the open door policy remain in force? As had happened after 1949, would those who studied abroad be suspected of disloyalty and persecuted?

Defining the Limits

Soon after, and just in time for Hu Yaobang's November 23–30, 1983, trip to Japan, the Politburo held an enlarged emergency conference. Hu and Zhao Ziyang spoke in opposition to the way the campaign's scope

31. See, for example, Tien Chih-sung, "Adhere to the Policy of Independence and Self-Reliance," *Survey of China Mainland Press*, No. 5584, April 1, 1974, pp. 1–6.

was widening and taking an ultra-leftist direction. The Secretariat issued a report that gave numerous examples of these excesses.³² Subsequently, there were signs that the "commonplace task" was being aborted. Editorials and official pronouncements began to define the limits of the attack and thereby revealed just what had actually been going on over the past month under the cover of eliminating spiritual pollution.

An important first shot was a commentary in *Zhongguo Qingnian Bao* (*China Youth News*) on November 17, reprinted the same day in *RMRB*. While supporting the drive and praising the efforts of the Communist Youth League (CYL) to organize the boycott of pollutants, it revealed that some comrades, under the pretext of attacking spiritual pollution, had criticized girls who permed their hair or wore face cream, and youths who wore stylish clothes and danced healthy group dances, lumping all of these legitimate activities together as "bourgeois life style." The commentary delineated spiritual pollution as being two kinds of things: (1) pornographic books, pictures, videos, and tapes; and (2) theoretical, literary, and art works that expressed bourgeois liberalism and the "commoditization" of spiritual goods. It stressed that youths' seeking an improved and more beautiful life was not pollution. When one knows Hu Yaobang's years as the CYL's secretary and his concern for solving China's youth problem, this editorial can be seen as clearly representing his view. He had been virtually silent up till then.

On November 29, *RMRB* reported on page 1 a speech by Deng Liqun, until then the movement's most visible proponent, that also limited the scope of what could be labeled spiritual pollution. Addressing cultural department and bureau chiefs, and broadcast, television, and propaganda workers from around the nation on November 28, he stated, contritely, that just talking about spiritual pollution had made their programs monotonous and cold. Economic setbacks were not to be called spiritual pollution, nor were imperfect literary works. He reiterated Deng Xiaoping's definition of pollution as the yardstick to measure the degree of contamination of any particular work.

The next day, Yu Qiuli, Deputy Secretary of the Central Committee's Military Affairs Commission and Chairman of the General Political Department of the PLA, an early spokesman for the campaign, gave a talk at an enlarged meeting of the Party Committee of the General Political Department of the People's Liberation Army (PLA). He showed that implementing the movement in the military was causing the same problems of indiscriminate attack and resorting to CR-style "crude and

32. Lo Ping, "A Fierce Struggle," pp. W6-W7.

excessive" (*cubao guobuo*) means as in society. (This speech was not published until December 24.)³³

Another significant event took place at the Third Session of the NPC Standing Committee meeting in the first week of December after Hu Yaobang's return from Japan. Its first bill concerned strengthening the building of socialist civilization. The ministers of Culture, Education, Public Security, and Radio and Television made reports. For seven days there was heated discussion, but the result, as announced on December 8 by Peng Zhen—another of the first public spokesmen for the drive—was that no formal decision on building socialist spiritual civilization or eliminating spiritual pollution would be made as the conditions were not ripe.³⁴ The Party had gone to a "state" body, most of whose members are Party members, to decide a matter of internal Party policy that the Politburo must have been too divided to decide itself.

Then, on December 9, Deng Liqun was again made to limit the movement identified with him when he announced that the Central Committee had decided not to extend the slogan of eliminating spiritual pollution to the rural areas. Apparently, some cadres had used the pretext of rooting out examples of "bourgeois behavior" and "eyes on money" (*xiang qian kan*)³⁵ in order to strike at peasants who were earning huge incomes. The press had published several articles reassuring wary peasants that the responsibility system would last a long time; obviously their fears were warranted. Articles reappeared praising peasants for their entrepreneurship, and early in 1984, Document No. 1 of the Central Committee formally reaffirmed the new rural policies.³⁶

Deng Liqun went on to criticize cadres who rashly labeled anything they disliked as spiritual pollution. He warned them to rely on criticism, persuasion, discussion, education, and help to deal with polluters. "It is absolutely impermissible once again to use unlimited escalation (*shanggang*) and criticizing till people drop and stink (*pidao pichou*) as in the 'Great Proletarian Cultural Revolution.'" Obviously, some cadres had ignored the official guidelines for implementing the task and had fallen back on tactics learned in the CR to destroy their enemies.

This remarkable series of speeches revealed that cadres at levels down

33. "Lilun Gongzuozhe Yao Zhanzai Fandui Jingshen Wuran Qianlie" (Theoretical Workers Must Stand in the Van Against Spiritual Pollution), *RMRB*, October 27, 1983, p. 1.

34. *RMRB*, December 8, 1983, p. 1.

35. This is a pun, where "*qian*," money, is a homophone for the word "forward," a commonly used Communist slogan.

36. *China Daily*, March 19, 1984, p. 3.

to the unit were using the pretext of combating spiritual pollution to attack people, policies, and behavior they disliked, with potentially severe consequences for social stability and the Four Modernizations. Having the movement's main spokesmen deliver these speeches underscored the seriousness of the situation, and the victory of their opponents in the Politburo.

Young workers, peasants, literati, and theoreticians were not the only ones being abused. Technical personnel, key actors in the modernization drive, were also under fire. An announcement by the State Council published on December 18, 1983, explicitly listed six areas for permissible activities for scientific and technical personnel that were not to be labeled "spiritual pollution," thereby inadvertently revealing the ways in which these people were being hounded by cadres jealous of their officially sanctioned prestige and autonomy. The six were:

1. They are encouraged to energetically study and grasp modern science and technology from all over the world. Natural science and technology have no class nature.
2. They should study new disciplines emerging in the area between natural science and social science, absorbing the good, discarding the dross. It is incorrect to disallow this study and negate it without first trying to understand it.
3. They should be encouraged to discuss things freely; disagreements with leaders cannot be labeled "not one with the Party."
4. They should compare Chinese and foreign experience despite the difference in social systems.
5. Free discussion, some freedom to select research projects and mobility are not "bourgeois liberalization."
6. Everyone should use comradely means to discuss disagreements. "Do not raise opposition to spiritual pollution among science and technology workers."³⁷

This pronouncement, which was printed beneath a box with the words "Recently, Comrade Deng Xiaoping has expressly emphasized we must go a step further to implement the policy on intellectuals and do an even better job of developing the use of current scientific and technical talent," was oriented to the technical segment of the intellectual community. Deng had had to assuage their fears personally and coax them back to work.

In the middle of January 1984, the Organization, Propaganda, and

37. *RMRB*, December 18, 1983, p. 1.

United Front Work departments of the Central Committee issued a joint circular to undertake a thoroughgoing determination of whether the policy on intellectuals was being implemented, which revealed that "instances of discrimination against exclusion of and dealing blows at intellectuals still frequently appear in some localities and units."³⁸ It is certain that the same audience was targeted in Li Xiannian's assurance to the visiting Archbishop of Canterbury on December 16 that "religion and spiritual pollution are two different things. Religious belief enjoys legal protection. The Constitution rules that citizens have the freedom of religious belief. We protect legitimate religious activities. The opposition to spiritual pollution is primarily opposition to erroneous ideologies and pronouncements in theoretical and art and literary circles."³⁹

By Mao Zedong's birthday on December 26, 1983, the movement was on hold. The day's major speech was delivered by Hu Yaobang, who had suffered at Mao's hands in the CR and was rumored to be in political trouble in December. He had not made public speeches on spiritual pollution and appeared ill at ease when quizzed about it during his trip to Japan. His address and the accompanying editorial in *RMRB* played down Mao as an individual, and emphasized Mao Zedong Thought as a living thing that must continue to develop through practice. He praised Deng Xiaoping as Mao's legitimate heir and prime defender over the years. Hu mentioned "spiritual pollution" only once; the editorial does not mention it at all.⁴⁰ To give such short shrift to slogans and a movement that had so dominated the media for more than two months on an occasion of such political significance indicated the reining in of this latest attack on society. The 1984 New Year's Editorial likewise submerged "spiritual pollution" deep in the text.⁴¹

In late December, the Ministry of Education sent a "Solicitude Delegation" (*Weiwentuan*) to the U.S. and Japan. It carried videotapes of Hu Yaobang, Zhao Ziyang, Peng Zhen, and Deng Yingchao urging scholars and students abroad to study hard, encouraging them to make foreign friends, and assuring them of the role of law in China, and that they would have major places upon their return. Without explicitly mentioning spiritual pollution, the leaders directly confronted the fears of their audiences.

In January and February 1984, articles still appeared on spiritual

38. *FBIS*, No. 017, January 25, 1984, p. K12. In February, Hu Yaobang had to intervene personally to support the promotion of a 47-year-old woman scientist who had returned from two years of study in the U.S. (*China Daily*, March 10, 1984, p. 4).

39. *RMRB*, December 17, 1983, p. 1.

40. *RMRB*, December 26, 1983, p. 1.

41. *RMRB*, January 1, 1984, p. 1.

pollution, but used it in the more restricted sense of Deng Xiaoping's initial formulation. To answer readers' queries, Shanghai's *Jiefang Ribao* delineated the scope of spiritual pollution on January 15.⁴² The paper stated that the main effort would be on the ideological front. In addition, pornography, songs popular in Western bars and brothels, and explicit sex are bad, while nude figures in fine art, lyric songs and light music in general, and love are permitted. Elimination of spiritual pollution was made a long-term task and the frenzy of late 1983 effectively dampened.

It was during January that Premier Zhao visited the U.S. and Canada. Frequently attired in Western suit and tie (as Hu Yaobang had been in Japan), his visit signaled to the Chinese public and foreign observers his commitment to China's open-door policy on economics, if not culture. He also made no major public statements on spiritual pollution in the course of the movement, and evaded discussing it in the West. Hu Qiaomu's major rejoinder on humanism and alienation, discussed below, dominated the January 27 *RMRB* and effectively put a cap on the public campaign.

Major Issues in the Campaign

In addition to criticism of unorthodox behavior up to and including purveying and viewing pornographic materials, a criminal violation to be dealt with by law, the substance of the campaign was a concerted attack on certain trends in the theoretical, and literary and art fields.

POLLUTION ON THE THEORETICAL FRONT

A new trend in China's theoretical discourse emerged in the spring of 1978. It concentrated on establishing the legitimacy of Deng Xiaoping's pragmatic reforms by reinterpreting the essence of Mao Zedong Thought as "seeking truth from facts" and "practice is the sole criterion for evaluating truth." The victory of Deng's reformist line was enshrined in the communiqué of the Third Plenum of the Eleventh Central Committee in December 1978, where the focus of the Party's work was shifted from class struggle to modernization. At the same time, in order to win the commitment of China's much-persecuted scientists, technicians, and prominent non-Communists to the cause of modernization, Deng and his allies such as Hu Qiaomu and Deng Liqun (sent to run the new Chinese Academy of Social Sciences, a think-tank for the Central Committee) called for a "second Hundred Flowers" where ideas and opinions could bloom and contend without fear of retribution. The Party was to withdraw from day-to-day administration of most spheres of

42. *Jiefang Ribao*, in *FBIS*, No. 019, January 27, 1984, p. K1-K3.

activity, and experts were to have autonomy and increased responsibilities in their work. Politics was to be democratized enough to prevent the overconcentration of power that had led to the CR.

Given this democratic wind blowing from the top, young workers and others began putting forth, in wall posters and unofficial journals, penetrating critiques of China's political system in the fall of 1978. Some called for further democratization within the socialist system, while others rejected socialism itself as a failure and demanded a fundamentally new type of society. These dissidents as well as some social philosophers and literary figures addressed issues of humanism and alienation in socialist society.

The Party authorities reacted on the one hand by cracking down on the liberalizing trend and propagating the four inviolable principles that govern all aspects of Chinese life. On the other hand, they called for continued reform of the system and elimination of corrupt, incompetent, and despotic cadres. To counter talk of alienation and a crisis of confidence, they publicized the "superiority of the socialist system." Realizing the bankruptcy of continued appeals to a far-off communist utopia, they settled on a more accessible "middle range" utopia—consumerism, now called "socialist material civilization." To fill the existential gap in people's lives, they linked to material civilization the need to build socialist spiritual civilization.

Socialist spiritual civilization has a cultural aspect (education, science, art, literature, the media, recreation, libraries, museums, and public health) and an ideological aspect. The latter includes "the working class world outlook and scientific theory of Marxism; Communist ideals, beliefs and moral values; above all, revolutionary ideals, morality and discipline."⁴³

Examples of socialist spiritual civilization include: "the five stresses, four beauties and three loves" (decorum, manners, hygiene, discipline, morality; mind, language, behavior, environment; Party, motherland, socialism); National Ethics and Courtesy Month (held every March since 1982); "civility villages" in the countryside; and "five-good families" (diligent at work and study; considerate of family members and neighbors; practice family planning and attention to children's education; observe the law and discipline; courteous public behavior). New models have been publicized to set the tone of the new era: intellectuals such as Jiang Zhuying and Luo Jianfu who worked despite terminal illnesses; Zhu Boru, the selfless soldier; and the determined paraplegic, Zhang

43. Hu Yaobang, "Create a New Situation in All Fields of Socialist Modernization," in *BR*, No. 37, September 13, 1982, pp. 11–40; pp. 21–26 on spiritual civilization.

Haidi. The overall impression conveyed by all of this is so patently similar to Chiang Kai-shek's much-ridiculed New Life Movement of the 1930s that the CCP has had to go out of its way to denigrate its predecessor's reactionary essence to show the difference.⁴⁴

The drive against spiritual pollution on the theoretical front zeroed in on the incessant discussion by certain theoreticians of the matters of alienation and humanism despite warnings and urgings to promote spiritual civilization. According to Xing Bensì, Director of the Institute of Philosophy of the Chinese Academy of Social Sciences and an opponent of polluters, since 1978 over 600 articles had touched on the subject.⁴⁵ The most famous works were by Wang Ruoshui, and Zhou Yang's long report, "Examination of Several Theoretical Questions About Marxism," delivered at the March 1983 symposium commemorating the centenary of the death of Karl Marx. In 1963, Zhou Yang had delivered a stinging diatribe against revisionism and humanism.⁴⁶ Two decades later, he described Marxism as a "developing science," criticized his previous views, and launched into a surprisingly unorthodox discussion of humanism and alienation. He supported the demand for "the restoration of human dignity and the elevation of man's worth." "Men are our object in building socialist material civilization and spiritual civilization and are also an aim in all our work," he asserted, and went on to advocate linking the early and late Marx for "a complete and accurate understanding of Marxism. . . . We should admit that Marxism contains humanitarianism. Of course, this is Marxist humanitarianism," which means men in society are to be emancipated "through the emancipation of the proletariat."⁴⁷

He explained the concept of alienation in Hegel, Feuerbach, and Marx, and then related it to China:

Socialist society is greatly superior to capitalist society. But this is not to say that socialist society is free from any alienation. In economic construction, due to our lack of experience and our failure to understand socialist construction as a realm of necessity, we did many foolish things in the past. We ended up reaping the harvest of what we did. This meant alienation in the economic area. Due to the lack of perfection in regard to democracy and the legal

44. *RMRB*, March 11, 1983, p. 5.

45. *RMRB*, November 3, 1983, p. 3.

46. "The Fighting Task Confronting Workers in Philosophy and the Social Sciences," *Peking Review*, No. 1, January 1, 1964, pp. 10-27.

47. (Chinese) *RMRB*, March 16, 1983, pp. 4-5; (English) *JPRS*, No. 83267, April 15, 1983, pp. 59-60.

system, the people's servants would sometimes abuse the power vested in them by the people to become, instead, the masters of the people. This means alienation in the political field, or power alienation. As to alienation in the ideological field, the most typical case is personality cult. This has something in common with religious alienation criticized by Feuerbach. Therefore, "alienation" is a phenomenon existing objectively. We need not make a big fuss about this term. Thoroughgoing materialists should not be afraid of facing up to reality. Only by admitting alienation can we overcome alienation. Of course, socialist alienation is basically different from capitalist alienation. Second, we are also entirely capable of overcoming alienation through the socialist system itself. The source of alienation does not lie in the socialist system, but in the problems that exist in our system and in other respects.⁴⁸

He contended that the current call to emancipate the mind and the economic and political reforms, as well as Party rectification, were important steps toward overcoming the several forms of alienation.

Criticisms of these and ideas of others permeated the press in October and November.⁴⁹ On January 3, Hu Qiaomu, member of the Secretariat of the Central Committee and a close associate of Deng Xiaoping, delivered a very long speech, "On Humanism and Alienation," at the Central Party School. It was republished in the school's journal, *Lilun Yuekan* (*Theory Monthly*) and *RMRB* on January 27. It reiterated other critiques of the issue and offers what can be seen as the definitive rebuttal, and the last word on the subject.⁵⁰

Hu distinguished humanism as a world or historical outlook from humanism as a set of moral principles or standards. The former, in contrast to Marxist historical materialism, takes man in the abstract as the starting point in understanding social relations, and on this basis discusses such topics as human nature, the essence of man, value of man, dignity of man, freedom of man, and so on. Proceeding from society to explain man is the correct means, Hu claimed. People reflect nothing in

48. Ibid. His ideas follow closely those in Wang Ruoshui's "A Talk on the Question of Alienation," in *Zhongguo Zhi Chun* (China Spring), No. 9, January 1984, pp. 32-33.

49. For example: Xing Benshi, "Yibua Wenti yu Jingshen Wuran" (The Question of Alienation and Spiritual Pollution), *RMRB*, November 5, 1983, p. 5; Xiong Fu, "Dui Makeshi Shiyong di 'Yibua' Gainian Yao You Zhengque di Renshi" (We Must Have a Correct Understanding of Marx's Use of the Concept 'Alienation'), *Hongqi*, No. 21, October 1983; in *XHWZ*, No. 12, December 1983, pp. 15-19; Duan Ruofei, "Ping Shehuizhuyi Yihualun" (A Critique of the Theory of Socialist Alienation), *GMRB*, October 29, 1983, in *XHWZ*, No. 12, December 1983, pp. 21-22; Wu Liping, "Yibua Wenti Yanjiuzhong de Fangxiang Cuowu" (Errors of Direction in Research on the Question of Alienation), *RMRB*, December 5, 1983, p. 5.

50. In *FBIS*, No. 026, February 7, 1984, pp. K1-K33.

the abstract, only social relations. Man's value derives not from abstract standards, but from society, and is also contingent on fulfilling his duties and contributing to society. Thus, historical materialism as a world outlook is vastly superior to humanism. Marx recognized this and dropped his early immature notions about humanism, Hu stated.

But, Hu went on, there is such a thing as "socialist humanism," a set of principles reflecting the socialist economic base and therefore different from and superior to the bourgeois humanism of exploitative capitalist society. It is based on collective values, not individualism, and should be publicized widely in tandem with socialist democracy, law, spiritual civilization, literature, and art.

Hu reiterated the official criticism of the use of the term "alienation" to label shortcomings in socialist society as it exists in China, saying specifically that it is a misuse of a term Marx derived from Hegel and Feuerbach that refers to phenomena characteristic of a specific stage of social development. Marx dropped this term as he abandoned humanism. But some people, influenced by Western philosophy and their hatred for the CR, still insist on using it anyway.

Hu asserted that universalizing the concept "alienation" blurs the line between capitalist and socialist society and implies that the latter, like the former, has "regular and antagonistic" negative phenomena. Without naming them, he rebutted Wang Ruoshui and Zhou Yang's labeling of problems in the ideological, political, and economic spheres as "alienation" in which one phenomenon "inevitably gives birth to an alien force that turns against and dominates itself," as if they were inherent to socialism itself. Instead, Hu insisted that each problem derives from characteristics unique to the Chinese case, especially a lack of experience in building socialism.

Hu insinuated that those who indiscriminately apply the term "alienation" to all negative phenomena are "bound to spread in society the sentiments of pessimism towards and lack of confidence in socialism, communism and party leadership." The essence of Hu's critique is that the use of the concepts of humanism and alienation in discussions of socialist society feeds individualism and breeds skepticism about the superiority of socialism and thus the legitimacy of Communist Party rule. If these skeptics would go into society and investigate reality, other critics state, they would witness the practical successes of the reforms and realize the inadequacies of both their critique of the socialist system and of the terminology used to conduct it. What is also suggested is that one's ideas should come from the Party's definition of truth rather than from individual cogitation.

POLLUTION ON THE LITERATURE AND ART FRONT

Although Party policies toward literature and art had lurched between liberalization (*fang*) and tightening up (*shou*) since the publication of Liu Xinwu's story "Class Counsellor" (*Ban Zhuren*) in 1977, the period since then unquestionably saw a creative outpouring unprecedented in the entire post-Liberation era.⁵¹ "Wound literature" in 1977–78, written mainly by writers in their twenties and thirties, focused on "how I suffered in the CR." It was succeeded by "the literature which delves into life," or "new realism," which casts a critical eye on contemporary Chinese society and exposes ills such as privilege-seeking cadres, corruption, commandism, exploitation of workers, peasants, and women, disregard for law and so on. These works also experiment with new styles and techniques such as stream-of-consciousness. These stories, novels, dramas, poems, reportage, and essays were enormously popular and struck a responsive chord among audiences who felt that at last literature was dealing with reality and revealing their own view of the world. Symbolizing the legitimacy of such works, writers who had been persecuted for their exposés during the Hundred Flowers era, notably Liu Binyan and Wang Meng, were rehabilitated and lionized, and their writings republished. Also popular, at the other end of the spectrum, were love songs from Hong Kong and Taiwan. To capture this huge audience, Chinese tunesmiths copied the melodies, orchestrations, and sentiments.

At the Fourth Congress of Writers and Artists in October–November 1979, Deng Xiaoping, in the opening address, came out in favor of more freedom of creation, theory, and variety in product. He approved of relaxed Party control over creative work.⁵² Over the next few years, as writers became increasingly bold and formed extensive contacts with their foreign colleagues, bureaucrats became loathe to stifle them and risk being accused of leftism. Deng Xiaoping, Hu Yaobang, and Hu Qiaomu variously criticized bourgeois liberalization in the arts, repeatedly stressed that the Hundred Flowers policy did not mean liberalization, and urged writers to consider the "social effects" of their

51. For overviews of literature and art from 1977 to 1982, see the introductions to: Perry Link, *Stubborn Weeds* (Bloomington: Indiana University Press, 1983), pp. 1–28; Helen Siu and Zelda Stern, *Mao's Harvest* (New York: Oxford University Press, 1983); Lee Yee, *The New Realism* (New York: Hippocrene Books, 1983).

52. "Congratulatory Message to the Fourth Congress of Chinese Writers and Artists," in Howard Goldblatt (ed.), *Chinese Literature for the 1980s* (Armonk, N.Y.: M.E. Sharpe, 1982), pp. 7–14.

works. But it was conservative elements in the PLA that really kept up the pressure.⁵³ The 1981 attack on PLA writer Bai Hua for his screenplay *Ku Lian* (*Unrequited Love*) was the most sustained critique, but it too failed to intimidate other writers into publicly condemning the man and his work. In fact, Bai Hua won a national award for a poem that same year.

In the spiritual pollution campaign, literature and art came under attack on many fronts. Essays in Deng Xiaoping's *Selected Works*, published in July 1983, were repeatedly cited to legitimate the criticism. One target was "commoditization" (*shangpinhua*) of spiritual products.⁵⁴ As creative artists and performers received material incentives and went on the enterprise autonomy system, they began to cater to the tastes of their audiences, producing works that would sell. Beginning in October 1983, Party leaders reasserted control over performing and publishing activities.⁵⁵ Another target of criticism was those Party members responsible for literature and art who, fearing accusation of leftism, had grown lax and weak, refusing to exercise requisite leadership and thereby allowing pollution to spread unchecked.

But the main object was the writers themselves. Since the criticism of leftism and the opening to the outside world began:

Some people have turned their backs and fled from the demands that the times and people put on them. They use their unhealthy ideology, works, and performances to pollute the people's souls. Some people have expressed indifference to the Party's slogan for art and literature to serve the people and socialism, and to the socialist direction of art and literature. They lack, in addition, enthusiasm to express and praise the revolutionary history of the people and Party, and the heroic achievements of the people and Party in the struggle for socialist modernization. . . . Some go so far as to fundamentally deny the necessity of creating artistic models, they take and moreover advocate the "three nos" (no theme, no plot, no characters) as the direction for creation. Some publicly oppose the national traits of literature and art, advocating

53. For a listing of PLA obstructionism, see Li Desheng, "Jixu Qingchu 'Zuo' di Sixiang Yingxiang; Nuli Kaichuang Budui Jianshe di Xinjunian" (Continue to Eliminate the "Leftist" Ideological Influence; Strive to Create a New Situation in the Ranks), *RMRB*, April 13, 1983, p. 5.

54. Zhao Ziyang also criticized this phenomenon in his "Report on the Work of the Government" to the First Session of the Sixth National People's Congress on June 6, 1983. *BR*, No. 27, July 4, 1983, pp. I-XXIV, XIX.

55. See, for example, Chen Yun's criticism of *pingtan* performances in Shanghai (*FBIS*, No. 210, October 28, 1983, p. O3) and strengthening of control over performing troupes in Anhui (*RMRB*, October 31, 1983, p. 3). In Hebei, literary publications were merged to reduce their number and to facilitate Party leadership (*FBIS*, No. 214, October 25, 1983, p. R2).

disposing of national traditions. Some of them rarely stand on the revolutionary activist side of the Party in terms of problems needing to be solved in the socialist enterprise, raising the masses' understanding, arousing the masses' enthusiasm, affirming the masses' confidence; on the contrary, they relish in writing about the seamy side, the dark side, even causing confusion and distorting things of revolutionary history and reality. Some unrestrainedly call for so-called Western modernist thought, propagate so-called emergence of new aesthetic principles, advocate—what is it—“anti-rationalism,” think that creative work has no need for correct theoretical guidance, no need to deeply enter the life of the masses, just rely on “the unconscious,” “subconscious” to make a written work and there you have it; some people propagate that the highest objective of literature and art is “self-expression,” or they call for abstract human nature and humanism, think that so-called alienation of man under the conditions of socialism should be a theme for creative work. A few works even propagandize sex and religion . . . many literary and art workers neglect the study of Marxism, don't enter the struggle of the masses to build a new life.⁵⁶

This list shows the ways in which writers had been ignoring the CCP's calls, guidance, and threats, and the influence of Western ideas, styles, modes of expression, and themes that were changing the nature of Chinese literature.

The subtext is, as with the attack on alienation and humanism in the theoretical arena, that not only is the ideology flawed, but more dangerous, too often it leads to excessive individualism and lack of confidence in the CCP and its objectives. The press singled out specific works and genres to attack by name. A few among them:

1. *Quqi di shiqun* (The Emerging Crowd of Poetry), an essay by Xu Jingya that advocates modernism in poetry. A conference was held in Jilin to criticize it.⁵⁷ It was one subject at the first Whole-Army Poetry Conference.⁵⁸ Ai Qing also excoriated it along with “obscurantist poetry” (*meng longshi*), another result of Western pollution “for their terrible influence.”⁵⁹

2. *Chib Cheng Huang Lü Qing Lan Zi* (All Colors of the Rainbow), a novella by the widely acclaimed worker-writer Jiang Zilong, for its young protagonists who embody many positive traits that are insufficiently developed while the negative ones are described in detail.⁶⁰

56. *RMRB*, October 31, 1983, p. 1.

57. *RMRB*, October 24, 1983, p. 7.

58. *FBIS*, No. 214, November 3, 1983, pp. K19–K20.

59. *RMRB*, November 2, 1983, p. 3.

60. *RMRB*, October 31, 1983, p. 7. The English translation of this story appears in Jiang Zilong, *All Colors of the Rainbow* (Beijing: Panda Books, 1983), pp. 21–129.

3. Science fiction works that contain ghost stories, violence, sex, anti-scientific assumptions, and veiled criticisms of socialism.

4. *Ren, Ah ren (Man, Oh Man!)*, a novel by the woman writer Dai Houying that advocates abstract human nature and bourgeois humanitarianism.⁶¹

5. *Liliyuan Shang Cao (Boundless Grass Over the Plain)*, a novel by Zhang Xiaotian, which preached eternal human nature and universal love in its story of the War of Liberation.⁶²

Officially, elimination of spiritual pollution in literature and art, as in theoretical areas, is to be accomplished mainly through criticism–self-criticism, sustained ideological education, and study of Marxism. The CCP rectification is to strengthen Party leadership and resolve in these areas. In both spheres, the leaders stressed that the elimination of spiritual pollution, far from a crackdown as rumored by some people, is actually a reaffirmation of the Hundred Flowers and emancipation of the mind policies still very much in effect. They will help literature, art, and theory flourish and create spiritual civilization.

Summary: Party-Society Relations in China

From the content of the criticism of spiritual pollution, and the way the campaign proceeded and its termination, we can draw the following conclusions about Party-society relations in China in 1984.

Within the CCP, there is much opposition to the opening to the capitalist world, the call for the Party to grant more autonomy to social forces, and Party rectification, three policies with wide support in society. The sources of “pollution” are external *and* domestic.⁶³ The opposition comes not only from the left, whose point of view was not publicized, but more important, from the old revolutionary Communists and Deng Xiaoping’s allies such as Deng Liqun, Peng Zhen, Wang Zhen, Yu Qiuli, and Hu Qiaomu and their followers at all levels. They resist relinquishing their power over society, especially over the distrusted intellectuals who have expertise they lack and are internationalists by the nature of their profession, though at the same time genuine patriots. The anti-spiritual pollution drive afforded the chance to cut intellectuals off from foreign sources the cadres could not comprehend (and which, in their minds, by extension must be dangerous and subversive) and reassert Party control over decision making at all levels. Many cadres long

61. *FBIS*, No. 217, November 8, 1983, pp. P1–P2.

62. *FBIS*, No. 011, January 17, 1984, p. K10, and No. 027, February 8, 1984, p. K6.

63. I am grateful to Rudolf Wagner for pointing this out.

expected another CR-style campaign, and saw Deng Xiaoping's call as a signal to initiate one.

In the countryside, although some cadres have flourished, others resent the backing off from collectivization and the wealth accumulated by some peasants, including former class enemies. These cadres used the pretext of attacking the ideology of "everything for money" to reassert control over wheeling-dealing peasant entrepreneurs. Because the rectification is not scheduled to reach the lowest echelons for three years, they hoped to entrench themselves before the rectification took hold, either to obstruct it or to dislodge their enemies. The leaders of the campaign were aiming ultimately at Hu Yaobang. Despite his frequent hardline statements against bourgeois liberalization, he is viewed as too close to intellectuals and too willing to offer them concessions.

Within society, there is widespread resistance to CCP leadership and alienation from its basic principles and claims to legitimacy. The spiritual pollution campaign only made matters worse. This is most apparent among the urban youth—including those with salaried jobs, as well as university students, artists, and writers, who used CCP retrenchment to stake out a wider sphere of autonomous action for themselves. Fearful of being tagged "leftists," cadres dared not assert themselves against these social forces, who also have an important role in modernization. But the crackdown on crime provided a chance to deal with certain dissident elements who could be called "criminals" and made to disappear with the swift justice being meted out at the time. The broader mandate to criticize "all varieties of corrupt and decadent ideologies" was a green light to go after unruly, foreign- (including Hong Kong) infected youths, arrogant students, and self-indulgent writers.

Many writers had continued to resist Party controls and refused to accede to the anti-Bai Hua campaign. Why did they leap so quickly to *biaotai* in 1983? I would argue that they have feared another CR all along and relied on Deng Xiaoping to prevent it. He and other moderates had criticized bourgeois liberalization, but had not gone so far as to mount a broad drive against artists. When Deng Xiaoping appeared to give the go-ahead to just such a drive, and they were attacked in very short order, they panicked and "took a stand" to protect themselves. In addition, we cannot assume that all artists would accept the new influences uncritically, and their "taking a stand" in many cases reflected a genuine ambivalence about these corrosive imports.⁶⁴

The ending of the campaign clearly reflects Deng Xiaoping's priorities—economic modernization with the necessary reforms to go

64. This point was stressed by Perry Link.

with it but not liberalization, and preservation of CCP power. He is a pragmatist, but not a liberal, as is clear from his writings and behavior. Like other authoritarian leaders of the left and right, he wants economic development and a loyal technocracy to spur it, while not shrinking from sacrificing intellectual and artistic liberalization in the process. He advocated eliminating spiritual pollution not just to balance competing factions and bolster support for rectification; he really wanted a purification. But he was surprised by the alacrity with which the system generated another campaign. The cost now is too high to have allowed it to go on, especially with unfavorable reactions from foreign businessmen.

As society continues to become more complex, CCP policies toward social forces will also differentiate. Enterprising peasants and technical personnel are to continue to receive protection and encouragement to bring forth economic development and thereby "prove" the superiority of socialism. Conservative or leftist cadres opposing this are to be disciplined or removed. Youths, both workers and students, can indulge in a bit of high living within reasonable limits. They must be closely watched and limited in their exposure to foreign ideas while at the same time socialized to socialist values. Liberal intellectuals are to be tightly controlled, not allowed to constantly harp on the dark side of life, and certainly not permitted to assert that socialism is flawed systemically.

Like his predecessors, Deng Xiaoping has not solved the problem of modernizing China with Western help while preventing cultural contamination—separating modernization from Westernization. He will continue to grant limited autonomy to necessary societal areas but will not shrink from sacrificing liberalization when needed. China's society will continue to change fundamentally nonetheless, and will frustrate this strategy in the long run.

OPINIONS AND ATTITUDES OF YOUTH IN THE PEOPLE'S REPUBLIC OF CHINA

Alan P. L. Liu

As to youth, how can one generalize about them? Some are sober; some, asleep; some, confused; some, lying down; some, playing; and there are lots more. Naturally there are those who desire going forward.—Lu Xun¹

Whether a party, an organization, or a leader has a strategic or political vision to a certain degree may be gathered from the extent to which it attaches importance to and expresses concern over youth and youth work. To have youth on its side is to win over the future.—Hongqi²

Since 1980, China has been following in the footsteps of post-Stalin Eastern Europe in numerous ways, including coping with a serious "youth problem." The journal *Chinese Youth*, organ of the Young Communist League (Chinese Communist *Komsomol*), characterizes the discussion in China on youth as "a social current." *Renmin Ribao* (*People's Daily*), organ of the Central Committee of the Communist Party of China (CPC), stated: "The youth problem is frequently talked about by the public and is of concern throughout the Party."³ What this article attempts to do is to present Chinese descriptions and interpretations of the youth problem, including opinion surveys, Chinese Communist authorities' efforts to cope with it, and my own speculation concerning the light the Chinese youth problem might shed on the larger question of youth and society.

Alan P. L. Liu is Professor of Political Science, University of California, Santa Barbara. This article is based on a paper presented at the Regional Seminar on Modern China, Center for Chinese Studies, University of California, Berkeley, May 21, 1983.

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1. Quoted in Yang Sizhong, "How Can One Generalize About Youth," *Renmin Ribao* (hereafter *RMRB*), November 9, 1977, p. 3.

2. *Hongqi*, No. 1, 1983, pp. 11-12.

3. Commentator, "The Discussion of Philosophy of Life Is Worthy Our Attention," *RMRB*, July 29, 1980, p. 1.

Characteristics of Chinese Youth

Chinese commentators have applied a rich array of terms to the youth in China today: a "contemplative generation," "wounded generation," "wasted generation," "lost generation," and "fallen generation."⁴ And equally varied analyses are in the minds of present-day young people in China. But one overall diagnosis appears repeatedly: the skepticism of Chinese youth toward any political ideologizing. Even the official spokesman for the Young Communist League, Wan Zhaoguo, has said: "This generation of youth was brought up during the ten years of civil unrest. They do not readily believe or follow blindly. They are not satisfied with ready-made explanations or conclusions. They will accept truth only after their own empirical study, personal experience, and analysis."⁵ Moreover, Chinese youth today are often contrasted with those in the 1950s and early 1960s. The most detailed contrast is provided by a teacher from a Shandong teachers' college:

1. Generally speaking, the youth in the 1950s and 1960s lacked social experience and tended to be simple-minded. Their ability in physical and social activities was deficient. But the youth today, having been through ten years of struggle with Lin Biao and the "Gang of Four," has seen more. Their experience in society is relatively rich. Their minds are complex. The questions that they ponder are numerous. Their physical and labor capability is high.
2. The youth of the 1950s and 1960s were good at imagination and full of hope for the future, though this was sometimes tainted with romanticism and unrealism. Today's youth are relatively "practical." They do not like to think about the future of the motherland or the fate of mankind, regarding these as pompous talk. In the 1950s and 1960s, youth in general, let alone Party or Youth League members, never thought of not complying with job assignments, taking these rather for granted. Anyone who refused to comply with a job assignment then would be ostracized. But it is different today. Nowadays a student, after being assigned to the countryside, thinks first and foremost of getting back to the city to find a better job.
3. The youth of the 1950s and 1960s had lofty thoughts regarding our Party. But today the attitude of youth toward the Party is rather distant. Their opinion of Party membership is not high, and they treat socialism as a mere slogan, even doubting the superiority of socialism.

4. Huang Zijian, "Just How Should One View the Youth of This Generation?," *RMRB*, February 24, 1981, p. 5; Zhong Peizhang, "Opening Up Careers for the New Generation," *RMRB*, July 12, 1980, p. 4.

5. Wang Zhaoquo, "United the Youth of All Races in the Entire Country March Toward the Bright Path of Socialist Modernization," *RMRB*, December 25, 1982, p. 3.

4. The conduct of the youth of the 1950s and 1960s was relatively proper. Their knowledge was adequate and they were courteous and civil. Nowadays, generally speaking, youths are not very civil and courteous. Some have learned to be boastful, dishonest, and arrogant. They are prone to commit physical assault upon a slight provocation.⁶

To complete their picture of Chinese youth today, Chinese writers also use various typologies. For example, an editor of the official *Chinese Youth* divides young people into five categories.⁷ First are the "Europeanized youth." "These are young people who have become . . . skeptical about the basic theory of Marxism-Leninism and Mao Tse-tung thought. . . . They have had greater exposure to European democratic and other contemporary ideas. They have broader vision; they are more dynamic in their thinking and consequently are the most dissatisfied with the current situation in China and most urgently desire reform." Then there are the "'dedicated' optimists" who "have a better understanding of the basic theory of Marxism-Leninism and do not place blind faith in anyone." Third are "'nice' young dupes who . . . must still painfully be weaned from the false theories of the 'Gang of Four.' " The fourth type of youth consists of "philosophical 'nihilists' who have 'seen through . . . ' " and, finally, the saddest of all categories, "the young who have become criminals."

In addition to impressionistic surveys of the psychology of Chinese youth, Chinese discussion also focuses on four specific aspects of youth attitudes: disillusionment with the socialist system as exemplified in present Chinese reality, failure to find meaning in life, disinterest in political education, and young criminals.

As a measure of how widespread are the first two concerns—disillusionment with socialism and finding life meaningless—Chinese authorities deliberately provoked public discussion of it, obviously attempting to bring these underlying attitudes into the open and overcome them through reasoning. Furthermore, mainland Chinese propagandists are also discriminating in that the discussion on disillusionment with socialism was aimed at high school pupils who are rapidly becoming avid watchers of television. It is through television that most mainland Chinese students became aware, for the first time in thirty years, of

6. "The Characteristics of the Minds of Youth Today," *Jiaoyu Yanjiu*, No. 1, 1981, pp. 46–47.

7. M. London, T. L. Lee, and I. D. London, "China: The Generation in the Wings," *The American Spectator*, No. 2, 1980, pp. 21–25.

consumer society in the West. The discussion of the "meaning of life" was meant for late adolescents whose education was disrupted by the "Cultural Revolution" and who are now already working: this is the "wasted" or the "wounded" generation.

Discussion of each of these topics began with the publication of a student essay or letter. In May 1979, a Shanghai newspaper publicized an essay by a high school pupil who was depressed by the sight of a peasant woman with a baby in her arms begging in the street. This essay provoked other students to make their views known. One wrote: "So far as our generation is concerned, we have been taught, ever since primary school, how good is our socialist motherland and how bitter and hard are the lives of the people in capitalist nations. . . . Now we see from television the skyscrapers, modern facilities, parks, and cultural centers in foreign countries. Compared with that, our country is backward. How can you expect us to turn our thinking around to continue believing in the superiority of socialism?"⁸ Soon students from other schools joined in the discussion and raised questions such as: "The lives of the workers in capitalist countries are better than ours," and "Why, after thirty years of building socialism, are we not as good as they [capitalist countries]?"⁹ Underlying the disillusionment, says a perceptive Chinese writer, is the process of "proceeding from blind faith to skepticism and from skepticism to awakening."¹⁰

The discussion on the meaning of life began with the appearance of a young woman's letter, "Ah, the Path of Life; How Is It That It Gets Narrower and Narrower!," in the journal *Chinese Youth* in May 1980.¹¹ The writer was a 23-year-old woman named Pan Xiao whose once warm family was broken up by the Cultural Revolution, and she was abandoned by her mother. Working in a factory now, Pan was appalled by the selfish and materialistic behavior of her co-workers. Her despair was also precipitated by her onetime close friend's betraying their private conversation to the authorities and desertion by her boy friend, who belonged to a higher class of "Party cadres." Pan Xiao concludes: "Everyone is selfish"; "when it comes to a crucial moment, everyone acts according to his selfish instinct"; and "everyone, on the surface, acts altruistically, but, deep down, seeks to benefit himself." Pan Xiao's letter has touched a sensitive cord in the minds and hearts of mainland Chinese youth. In 25 days, the journal received 18,603 letters and numerous phone calls,

8. *RMRB*, May 18, 1971, p. 3.

9. Pan Yida, "Reflection on An Essay," *RMRB*, August 13, 1979, p. 4.

10. *Ibid.*

11. "What Is the Meaning of Life?," *Ch'ib-shih Nien-tai*, No. 1, 1981, pp. 82-85.

telegrams, and visits in response to this letter.¹² As a result, a press campaign was organized "to establish a correct view toward life."¹³ Since the object of this discussion was young workers, the *Workers' Daily* took the lead in the campaign, and from June 5 to August 1, 1980, the paper reported receiving 6,600 readers' letters on this topic.¹⁴

Given the foregoing, it is not surprising that another major concern of Chinese Communist authorities is a prevalent lack of student interest in political instruction. "Nowadays," admits Wang Renchong, director of the Department of Propaganda of the Party Central Committee, "many students do not like to attend political instruction; this is a fact."¹⁵ It is revealing that in 1982 the Department of Propaganda of the Communist Party, together with the Chinese Ministry of Education, jointly warned universities and colleges against cancelling political instruction classes or replacing them with nonpolitical subject matter.¹⁶ At the same time, Chinese authorities acknowledge that the old "sermon" type of political instruction must be abandoned. Political instructors are being told to use flexible methods, indirection, and a "combining [of] the spiritual with the material interest" of youth in order to arouse their interest in politics.¹⁷

So far Chinese discussion of youth problems is of a generalized nature. One youth subgroup, however, has received special attention: young criminals. It was reported in 1978-80 that crimes committed by juveniles accounted for 70% to 80% of all the crimes in China.¹⁸ The reasons given for the high incidence of youth crimes are several. First of all, there is the Cultural Revolution, which not only sanctioned violence and open flouting of the law, but also broke up many homes, leaving some youth to subsist by themselves. Second, many cases of youth crimes are a direct result of the Communist Party's sending millions of high school and even college graduates to settle in the countryside. As one account puts it: "The productive forces of Chinese rural areas were very backward. People in some places earn only 10 to 20 cents a day.

12. *RMRB*, June 10, 1980, p. 1.

13. *RMRB*, August 2, 1980, p. 3, and August 19, 1980, p. 4.

14. *RMRB*, August 2, 1980, p. 3.

15. Wang Renchong, "Unify Thought, Seriously Rectify Party Style of Work," *RMRB*, December 25, 1982, p. 3.

16. *Ibid.*, p. 2.

17. *RMRB*, June 10, 1980, p. 1, and March 1, 1982, p. 2.

18. Ying Tzu, "Roundup of the Situation of PRC Youth and Juvenile Delinquency," *Foreign Broadcast Information Service-PRC*, December 21, 1978, pp. N4-N5; *RMRB*, August 19, 1980, p. 4; Wang Fang, "What I Saw in Shanghai's Reformatory School for Juvenile Delinquents," *Zheng Ming*, No. 29, 1980, pp. 66-68; Wei Min, "Reforming Criminals," *Beijing Review*, No. 8, 1981, pp. 22-29.



Educated youths were hardly able to support themselves on such incomes. . . . Under the pressure of poverty, many educated youths were forced to commit crimes."¹⁹ Third, Chinese schools and industry in the 1970s could no longer accommodate the large number of young people who came of age every year. Unemployed and unable to continue their educations, many turned to crime. Finally, youth crimes are also attributed to young peoples' resentment of the existence of a privileged class of high Party elite and cadres in general. In 1981 and 1982, for the first time since the founding of the People's Republic, institutions were established to cope with the juvenile crime problem—the Institute for Research on Youths and Juveniles and the Chinese Society for Research on Juvenile Delinquency.²⁰

Opinion Surveys of Chinese Youth

The discussion of the youth problem in the Chinese mass media led to several opinion surveys of students and young workers. In permitting these opinion polls, Chinese Communist authorities were probably motivated by a desire both to gain more precise knowledge of youth attitudes and to gather politically useful "facts" to impress the public that the alienation of young people is not as widespread as impressionistic accounts suggest. Some of the surveys are presented here solely to provide more precise information on Chinese youth opinions than the qualitative analysis given in the first section of this article. However, it is worth noting that sociology was not recognized, let alone taught or researched, as a legitimate academic discipline for thirty years (1950–79) in mainland China. Hence the "opinion surveys" conducted there since 1980 may not meet the standards required of opinion surveys and sampling in the United States. One must also note that the nature of the "surveys" differs—which can be surmised from the ways they are presented to the public. There are, first, surveys published in newspapers for general circulation. These are probably the most tainted politically, being designed for publicity purposes. I call these "Type I" surveys. Then there are surveys published in specialized and academic journals, especially those dealing with education, which are more credible since they are aimed at professional educators. I shall refer to these as "Type II" surveys. Third are polls conducted by student or youth organizations in some schools and not intended for wide circulation. This third type may

19. Ying Tzu, "Roundup."

20. *RMRB*, January 7, 1981, p. 4; "Research on Juvenile Delinquency," *Beijing Review*, No. 12, 1983, p. 17.

be as credible as the second type, but the difference between the two lies in the amount or depth of information. Surveys of the third type are typically simple and brief, whereas the surveys published in specialized journals are based on much more substantive and elaborate questionnaires.

SURVEY OF GUANGXI HIGH SCHOOL STUDENTS

A Type II survey was conducted among 829 junior and senior high school students scattered in one major city, three county towns, and two rural people's communes in Guangxi province. Students were asked to fill out a questionnaire consisting of thirteen questions.²¹ They were asked to name the school subjects in which they were most interested, and their answers are given in Table 1.

The results in Table 1 confirm the impression that Chinese youth are, by and large, not interested in politics. Furthermore, among the 349 pupils in the one city school and the three county town schools, not a single student expressed interest in political instruction. Students in the

TABLE 1 *School Subjects of Greatest Interest (in percentage)*

<i>Junior High</i>		<i>Senior High</i>	
Mathematics	29.21	Mathematics	33.27
Physics	13.86	Physics	16.19
Language/Literature	12.36	Chemistry	11.74
English	7.87	Language/Literature	8.01
Physical Education	5.62	English	7.30
History	3.00	Physical Education	3.38
Chemistry	3.00	Biology	2.85
Music	3.00	Politics	2.49
Geography	0.75	Music	2.31
Art	0.75	Art	1.96
Biology	0.75	History	0.71
Politics	0.37	Geography	0.18

21. Tung Nian, Zhao Ruiqiang, and Yeng Xinyi, "An Investigation on the Minds of High School Pupils Today," *Jiaoyu Yanjiu*, No. 4, 1981, pp. 36-40.

three rural commune schools are somewhat more interested in politics than the city students, but even there, those expressing interest in political instruction were a small percentage—0.88% among junior high and 5.78% among senior high pupils. One might also note that highly politicized subjects in China such as “History” and “Art” are not among the subjects of greatest interest either. On the whole, one finds that the ideology espoused by Mao Zedong that one must be “Red” first and “expert” second has been repudiated by these high school students. This is further confirmed by the students’ choice of extracurricular reading matter as presented in Table 2.

What is significant about Table 2 is the high percentage of “no time to read” among senior high school pupils. This tends to reinforce recent Chinese media criticism that high school students are overloaded with assignments, which is in turn caused by the heavy competition for admission to colleges and universities and the low admission rate—only 5% of high school graduates. Finally, Table 1 and Table 2 show that even in a “backward” province like Guangxi, which is actually an ethnic minority region, modern science has made deep inroads. Despite long periods of disruption of education in China before 1976, young Chinese, even in a cultural “backwater,” demonstrated their desire for modern learning.

Table 3 presents the professions chosen by students. The most striking revelation is, of course, that peasant is the least desired profession for both junior and senior high school students. Moreover, according to the three teachers who conducted this survey, among the pupils in city and county town schools, only 0.6% chose peasant as their future profession. Of the 173 pupils in commune high schools, 6.36% opted to be peasants in the future. Overall, 3% of the students want to be peasants. Herein lies the reason for the failure of the Communist Party’s policy of settling

TABLE 2 *Student Choices of Extracurricular Reading Matter (in percentage)*

<i>Junior High</i>		<i>Senior High</i>	
Literature	34.46	Literature	39.32
Comics	29.21	Popular Science	32.38
Popular Science	22.47	Comics	9.25
History/Geography	2.25	Politics	3.56
Politics	1.87	History/Geography	0.89
No time to read	3.00	No time to read	7.83
		No desire to read	1.78

TABLE 3 *Professions Chosen by Students (in percentage)*

<i>Junior High</i>		<i>Senior High</i>	
Worker	22.10	Scientist	21.17
Scientist	14.60	Engineer	15.83
Army	14.23	Worker	14.77
Teacher	14.23	Teacher	13.70
Doctor	10.11	Doctor	11.56
Engineer	7.99	Army	7.83
Service Personnel	6.74	Service Personnel	5.34
Peasant	2.30	Peasant	3.20

millions of high school graduates in the countryside. It also portends great stress in Chinese urban employment, already painfully evident.

Table 3 also shows that as students get older and better educated, they tend to choose predominantly "white collar" professions. For example, in Table 3, the percentage of junior high school students choosing the professions of worker, peasant, army, and service personnel is 45.27%, and those opting for scientist, engineer, teacher, and doctor account for 46.43%. The difference between the two categories is a mere 1.16%. But among senior high school pupils, 62.26% want to be scientists, engineers, teachers, and doctors, whereas 31.14% choose the professions of worker, peasant, army, and service personnel. These figures show that the propaganda of the Communist Party in the past two decades glorifying manual labor has not been effective among better educated youths. As the three investigators concluded: "The higher the grade, the lower the percentage of students desiring to be workers. This is true in urban and rural schools."

It is not clear from Table 3 whether students freely wrote their desired professions or whether they were given the eight professions to choose from. If the former is true, then the students of Guangxi show their relatively limited awareness of the great range of modern professions. Students in China's metropolitan cities are different. Here a survey of 150 Shanghai senior high school students in 1981 is of interest. These students were asked to give "scores" to various professions; Table 4 presents the results of this survey.

Compared with Table 3, the first striking feature of Table 4 is, of course, the great range of professions cited by the Shanghai high school pupils. This in itself speaks of Shanghai's advanced industrialization.

Another interesting aspect of Table 4 is the minute divisions of professions such as nine types of factory workers; there is a separate stratification of urban workers, those in the electronic industry being "worker aristocracy" and sanitation workers the "worker-commoner." There is not yet this type of advanced specialization of workers in Table 3 or in the consciousness of the students in the Guangxi sample. The great number of professions and the advanced subdivisions of some professions may also be an artifact of China's elaborate system of ranks and wages. This system differs from profession to profession.²² The Shanghai

TABLE 4 *Shanghai High School Students' Evaluation of Professions*

<i>Profession</i>	<i>Score</i>	<i>Rank</i>	<i>Profession</i>	<i>Score</i>	<i>Rank</i>
Engineer	112	1	Machine tool industry	-25	20
Doctor	107	2	Sailor	-54	21
Technician	107	3	High school teacher	-60	22
Journalist	69	4	Commerce	-71	23
Judge	61	5	Driver	-78	24
Writer	57	6	Nurse	-82	25
Lawyer	54	7	Primary school teacher	-114	26
Cadre	48	8	Railway worker	-122	27
Scientist	40	9	Service personnel	-126	28
Employee	34	10	Kindergarten teacher	-127	29
Athlete	30	11	Construction	-134	30
Electronics industry	28	12	Barber	-142	31
Military officer	27	13	Textile worker	-148	32
Professor	20	14	Steel worker	-148	33
Light industry	20	15	Cook	-154	34
Musician	11	16	Peasant	-171	35
Artist	5	17	Dock worker	-172	36
Social scientist	-11	18	Sanitation worker	-189	37
Actor	-21	19	Self-employed	-208	38

SOURCE: Lan Zhengdong and Zhang Chongru, "The Choices of a High School Graduating Class," *She Hui*, No. 2, 1982, pp. 22-25.

22. *China News Analysis*, No. 966, 1974, pp. 1-7.

and Guangxi samples agree that in the high school pupils' value system, white-collar professions predominate. In Table 4, of the 17 professions receiving positive scores, only two can be classified as "blue-collar"—that is, workers in the electronic industry and light industry. Another striking feature of Table 4 is the high evaluation by Shanghai pupils of two professions—judge and lawyer—which were either insignificant or even nonexistent before 1978. This may indicate that the judicial reform of the Deng Xiaoping and Hu Yaochang administration has acquired a degree of credibility among the youngsters in Shanghai. Or, the high valuation of judge and lawyer may also mean that the Western tradition of Shanghai, despite thirty years of communist rule, has persisted. The contrast between the Guangxi and Shanghai samples is that the pupils in the former were attracted by the scientific-technical part of "modernization," while Shanghai pupils were more aware of the social components of "modernization."

Of the negatively scored professions in Table 4, Shanghai and Guangxi pupils agree on the low status of peasants and service personnel such as waiters or waitresses. But there are further interesting facts among the negatively scored professions in Table 4. The most obvious one is that the lowest status is assigned to self-employed people. Before 1978, the category "self-employed" did not exist in China, at least not legally, because the Chinese economy had been "socialized." The state assigned every school graduate a job then, including settling in the countryside. It was only after Mao's death and the installation of the present reformist administration in 1978 that "self-employed" became a legitimate occupation, largely to alleviate urban unemployment and to lessen the state's burden of assigning a job to each employable youth. But the ideological stigma and the insecurity associated with "private enterprise" persist in the minds of Chinese youths. All this means that demands on the state by Chinese young people for assignment to state-owned enterprises remain as high as ever.

Also noteworthy among the negatively scored professions in Table 4 is the teaching profession. Even college professor ranks very low among positively scored professions. Other teachers, especially primary school teachers, are all in the negatively scored professions. More or less in the same low station with the teaching profession are social scientists and actors, all of whom suffered terribly during the Cultural Revolution. The wages of these professions are low but their political risk is high. However, in the Guangxi sample, teachers do not fare so badly; they are ranked in the middle by both junior and senior high school students. There are two plausible reasons for this difference. First, as was true

traditionally, becoming a teacher in rural areas substantially enhances social status and enables peasant youths to shed their peasant identification. This is not the case in a metropolitan city where there are a great number of white-collar professions. Second, the anti-intellectual ideology and violence in the Cultural Revolution were particularly intense and extensive in cities like Shanghai; this was less so in rural areas.

The Guangxi sample does not directly probe what influenced career choices, but the students were asked about what motivated their education. Their answers appear in Table 5. We may treat the "Four Modernizations" category as, more or less, a "conventionalized idea" in China just as "free speech" is in the United States. The interesting aspect of Table 5 is that as students get older and more advanced in education, the influence of parents seems to decline and personal motivation seems to increase.

The Guangxi study also asked the students about their interest in joining the Young Communist League. The great majority replied positively—82.77% for junior high and 76.73% for senior high. Nevertheless, those who answered that they either "do not wish to join" or "do not care" amount to 20.30% of all students, a significant proportion. Furthermore, among senior high school students, the more urbanized the schools are, the lower the percentage of students wanting to join the Youth League. The percentages of those wishing to join the League are: city schools—63.51%; county town schools—76.35%; and commune schools—93.05%. It is uncertain, however, whether the Communist Party of China still regards "countryside surrounding city" as an asset in its political alignment now that the task of the nation is "modernization."

Since much of the qualitative analysis of the youth problem in China deals with mood and spirit, a number of surveys deal specifically with mood. Apparently a relatively standard questionnaire has been used in China, consisting of a list of common sayings or Chinese proverbs about which students were asked to express their agreement or positive at-

TABLE 5 *Motivation for Obtaining Education (in percentage)*

	<i>Junior High</i>	<i>Senior High</i>
For "Four Modernizations"	61.04	61.56
For parents	18.73	12.28
For personal career	12.73	14.59
No clear purpose	0.75	0.18

TABLE 6 *Student Responses to "Which saying do you favor the most?" (in percentage)*

	<i>Junior High</i>	<i>Senior High</i>
(1) Genius comes from hard work and knowledge has to be accumulated.	32.21	40.04
(2) With the motherland in my mind I eye the whole world.	21.72	13.88
(3) Birds are beautiful because of their features; people are beautiful because of their hard work.	13.11	6.41
(4) Nothing for oneself; everything for other people.	8.99	4.27
(5) Everyone has a share of responsibility in the fate of his country.	4.12	15.84
(6) To study is like sailing against the current; if one does not advance, he goes backward.	3.75	8.54
(7) Money can make the devil work.	1.12	2.14
(8) Everyone for himself and the devil take the hindmost.	1.12	2.88
(9) Life's purpose is to eat and drink.	0.75	1.25

titude. The Guangxi study presents a list of nine common sayings; the students' responses are shown in Table 6.

The three Guangxi teachers who conducted the survey point out that the response shows that the great majority of students are "positive politically and enthusiastic in learning and working" and that "the main current of student ideals and life outlook is healthy." They base their conclusion on the total percentage of the first six sayings, 83.90% for junior high and 88.98% for senior high school students.

But the three Guangxi teachers are unusually brief (two short paragraphs) in their analysis of the information in Table 6. Furthermore, they did not put the responses of the two groups of students, junior and senior high, side by side for comparison as is done here. The result of this comparison is interesting and needs a more refined interpretation than that of the three Guangxi teachers. First of all, there are significant percentage declines from junior to senior high school students in the responses to sayings (2), (3), and (4). This may be construed as a substantial increase in "privatization" or "worldliness" on the part of senior high school students. There is also a significant percentage increase in the

response of senior high school students to sayings (7), (8), and (9). This may be seen as a tendency, though not to a great extent, toward "cynicism." At the same time, the senior high school students are more public-spirited than junior high school students as shown in the response to saying (5).

When Table 6 is compared with the previous discussion of student desires to join the youth league, a convergence is evident. Fewer senior high school students (78.11%) expressed the desire to join the youth league than junior high school pupils (82.77%). What, then, does one make of the increase in the senior high school student response to the saying, "Everyone has a share of responsibility in the fate of his country?" I think this represents a "nonpartisan" or "nonideological" political consciousness. As qualitative analysis has already pointed out, Chinese youths today are concerned with public affairs, but they do not "follow blindly."

The students in Guangxi were also asked to estimate China's prospects for success in the Four Modernizations. Those replying that the Four Modernizations would be "realized definitely" amount to 81.54% for junior and 72.60% for senior high school students. Those who answered "not certain," "no confidence," or "never thought about it" account for 17.92% for junior and 25.62% for senior high school students. Moreover, not a single junior high school student answered "no confidence." The number of students responding with "no confidence," however, increased steadily from freshman to junior to senior in high school, the corresponding percentages being 0.32, 1.48, and 10.20. The attitude of students toward China's modernization conforms to the result in Table 6. The older a Chinese student, the more skeptical and worldly he becomes.

There is also a rural-urban difference in Guangxi student responses to the prospect of China's modernization; see Table 7. The difference between rural and urban senior high school students is striking. Once again, China's "youth problem" seems to be greater in the cities than in the countryside.

TABLE 7 *Rural-Urban Differences in Student Responses that "the Four Modernizations would definitely be realized" (in percentage)*

	<i>Rural</i>	<i>Urban</i>
Junior High	88.50	85.93
Senior High	94.80	56.08

In this connection, a 1980 student poll taken at Fudan University in Shanghai, one of the best universities in China and a "leftist stronghold" during the Cultural Revolution, should be mentioned. Fudan students were asked, among other things, to name what they believe in. As *Time* magazine reported it, "Only one-third answered 'communism,' a surprisingly low figure considering the intense indoctrination of youth for the past 30 years. Nearly a quarter of the students said they believed in fate, a tiny fraction named capitalism. A significant 25% offered a chilling answer: 'nothing at all.' " In a 1979 poll, Fudan students were asked about Chinese leaders' ability to achieve the Four Modernizations; 78% of the students polled took a noncommittal "wait and see" attitude. The same 1979 poll asked Fudan students "whether people like the 'Gang of Four' could return to power in China within the next ten years, only 5.4% responded with a firm no. More than half replied that such a return was 'possible,' and 39% said that it would be 'difficult to avoid.' About their own futures, 54% said that they felt 'uncertain,' compared with 36% who declared themselves 'full of confidence.' " ²³

It is possible that polls like the one taken at Fudan inspired the Chinese to seek out opinions in rural and hinterland provinces. But the opinions of youth in the provinces, while less negative than those shown in the Fudan polls, are not that reassuring to the leaders either.

ATTITUDES OF YOUNG WORKERS

The attitudes of youth as revealed in the polls cited above are of long-term significance. To Chinese leaders, a more immediate concern is the attitudes of young urban workers. In the past thirty years, a transformation of China's urban working force has taken place. At present, 60% of urban workers are below the age of thirty-five. Young workers have become the main body of the working class of China. Moreover, a large proportion of the new and younger workers in China's factories are from urban working class families, no longer first generation rural migrant-turned-worker. Of the present workers who were employed after 1966, 80% are from urban working class families. The Cultural Revolution affected the working class deeply since the "radicals" such as the Gang of Four sought support among urban workers. Furthermore, many young workers today were "graduates" from high schools or even colleges during the Cultural Revolution. In other words, their "education" is more apparent than real. A 1979 investigation of 20 million workers found that 80% had less than junior high school educations. Of these,

23. "What Students Believe In," *Time*, November 10, 1980, p. 57.

those who were "illiterate" or "semi-literate" accounted for 7.8%.²⁴ The disruption of their education by a political upheaval imposed by the leaders cannot but affect the psychology of young workers. The low morale and efficiency of Chinese workers has been talked about by visitors to China as well as by the Chinese media.²⁵ The attitude of the young workers may be seen in the title of a *Red Flag* article, "Re-educate Workers to the Ideals of Communism."²⁶

Naturally, Chinese leaders are anxious to find out workers' opinions and attitudes, and polls have been conducted in factories. In one poll at an undisclosed factory, the Chinese Institute of Psychology asked 343 workers what motivated them to succeed on the job: "The workers listed, in order: China's modernization, increased pay and bonuses, communist ideals, career enhancement, the desire to have a happy family life, honor, possible fame and status, the prospect of promotion, and nothing."²⁷ It is noteworthy that "communist ideals" are ranked lower than "increased pay and bonuses."

Other reports about young workers suggest that on the whole their attitudes are not too different from those of students. There is, for example, a prevailing skepticism about the Party "line" that socialism is the superior social system. A report on the political outlook at a Beijing chemical plant indicated that the most difficult question for Party propagandists to explain is "the superiority of socialism," about which workers asked more than a hundred questions.²⁸ Second, apparently based on some polls, it is estimated that, on average, about 20% of young workers are ideologically motivated.²⁹ Those in their twenties are said to have been socialized during the Cultural Revolution and are prone to factionalism, materialism, individualism, and violence.³⁰ A considerable number of young workers in some plants are reported to have committed crimes.³¹

24. *RMRB*, April 1, 1981, p. 1.

25. Yu Yennan, "Launch the Movement of Advanced Workers on a Large Scale," *Hongqi*, No. 22, 1982, pp. 27-31.

26. Yu Yennan, "Re-educate Workers to the Ideals of Communism," *Hongqi*, No. 19, 1982, pp. 35-40.

27. James Sterba, "Peking Backs Use of Opinion Folls," *New York Times*, August 25, 1980.

28. Shih Baohua and Huang Wei, "A Touching Democratic Discussion," *RMRB*, January 9, 1983, p. 6.

29. Yu Yennan, "Correctly Assess the New Generation of the Working Class of Our Country," *Hongqi*, No. 17, 1982, pp. 27-32; *RMRB*, March 1, 1982, p. 2.

30. *RMRB*, March 1, 1982, p. 2.

31. Chen Xinshen and Gu Yunlu, "An Investigation Into the Handling of Mised Young Workers in the May First Electrical Works of Shanghai," *She Hui Kexue*, No. 2, 1983, pp. 45-48.

As a measure of their attitudes, "codes of conduct for young workers" were established in some cities.³² Confronted with a "problem of young workers" (*qingnian gongren*), Chinese Communist leaders could only fall back on Lenin's 1902 and rather "un-Marxian" statement that Communist consciousness must be instilled into the working class from without; workers are not able to develop "scientific communist ideology" by their own powers.³³

Coping with the Youth Problem

To cope with the youth problem, Chinese Communist leaders combine orthodoxy with some interesting innovations. The orthodox way of youth work consists of reviving and strengthening the "control infrastructure." That means, first of all, restoring the Young Communist League, which was paralyzed during Mao's Cultural Revolution, to full operation. The Eleventh Congress of the League was convened in December 1982. A new and younger leadership was installed, and a new league constitution was drawn up. At present there are 48 million members in the Young Communist League, 19.2% of the age cohort for league membership. These members are distributed in two million league branches in various organizations such as schools, factories, and rural production teams.³⁴

A student delegation from the Chinese University in Hong Kong found, in a 1981 visit to China, that the League was in firm control of students' extracurricular activities in two universities in Guangdong but somewhat less so at Fudan University in Shanghai.³⁵ In addition, a system of "political work cadres," "political assistants," and "class heads" has been installed in universities to monitor student political activity and to launch campaigns and conduct propaganda.³⁶ To complete the orthodox youth work, ideological instruction, in spite of all evidence of its unpopularity among students, has been increased in universities. At a national conference on political instruction in school, China's education minister required schools to carry out education in Party leadership and in basic theories of Marxism-Leninism and Communist ethics and to reimpose the requirement that students engage in some manual labor.³⁷

32. *RMRB*, August 18, 1980, p. 1.

33. Yu Yennan, "Re-educate."

34. *RMRB*, December 25, 1982, p. 2.

35. Kuei Hon, "Facets of Chinese University Life," *Cb'ih Shih Nien-tai*, No. 9, 1981, pp. 33-37.

36. Lin Ke, "Strengthen the Political Education of Young Students," *Hongqi*, No. 17, 1981, pp. 10-14.

37. *RMRB*, August 4, 1981, p. 1.

It has also been a part of long-established Communist youth policy to provide diversion for young people, especially sports. Because of severe housing shortages and population increases of the past 20 years, many youth facilities have been requisitioned by numerous Party or state agencies. The number of Chinese youths and juveniles increased by 100 million from 1965 to 1980, but the number of facilities for them declined.³⁸ Municipal authorities in China are now required to include the construction of such facilities in their urban planning.

In the meantime, Chinese Communist leaders in charge of youth work have adopted an innovation in propaganda for young people. To overcome the widespread notion among the youth that communism is a mere abstraction or illusion, the Young Communist League commenced a campaign of discovering "communism being close by" or "looking for the flash of communism." That is, certain meritorious deeds in society are identified as a "manifestation of communism." The most dramatic example of this new tactic was the awarding of the honor of "A Superior Young Communist Leaguer" to a 21-year-old woman named Zhang Haidi who has been disabled by spinal disease since the age of six. Her heroic struggle with the disease and her will to live earned her the award. In a *People's Daily* report on Zhang, there is not a single reference to politics or ideology.³⁹ This is in sharp contrast to the old campaigns to emulate soldier-martyr Lei Feng who, for a decade, was the official youth model. Lei Feng was a model because of his total partisanship, in the form of devoting his whole life and thought to Mao Zedong. In Lei Feng, Chinese youths had to reach for communism. In Zhang Haidi, communism reaches for Chinese youths. From Lei Feng to Zhang Haidi something like Martin Luther's reformulation of the Christian faith has taken place. Faith is now reinvested in an autonomous, thinking, and living individual instead of being monopolized and dispensed by an organized religion or ideology.

Nevertheless, despite reports from the Chinese media on the ineffectiveness of old ways of mass persuasion such as public lectures or the melodrama of "telling bitterness of the past" and "recall and compare" (i.e., recalling past suffering under the old society and comparing it with present happiness under socialism), these methods of agitation are still being employed.⁴⁰ Even Lei Feng is still being used, though divorced from his "Mao cult." The coexistence of the old and new methods of youth work may mean either an indiscriminating "maximalist" approach toward propaganda or another indication of the different "lines" within

38. *RMRB*, April 23, 1980, p. 1.

39. Liu Binyen, "Challenge Fate," *RMRB*, March 8, 1983, p. 3.

40. *RMRB*, January 14, 1981, p. 2; and September 30, 1982, p. 5.

the Communist leadership, an orthodox faction resisting the reformist administration of the Party.

The youth question in China, however, is not of concern only to the Communist Party. Chinese educators as a whole are actively discussing ways to deal with the moral decline of Chinese youth. Chinese educational journals debate the theory or conceptualization of "moral education" (*deyu*). For example, moral education is to be distinguished from "knowledge education" or "general education." Though sharing some common characteristics with knowledge education, moral education is said to have its own laws such as emphasis on practice, emotional arousal of youngsters, long gestation of morals learned, and an accent on individual-group relationships.⁴¹ Other discussions stress the need to avoid the past practice of "adultization" (*zhenrenhua*), since youth has its own psychological characteristics, or overemphasizing "rational understanding." As one author puts it: "The [moral] effect of organizing students to plant trees and flowers and repair school furniture is greater than giving them a lecture on the virtue of caring for public property."⁴² Finally, Chinese educators point out that moral education cannot be accomplished by schools and teachers alone. The whole society must cooperate "since youth is a barometer; if the whole social or popular trend is not normal, the youth problem will not be solved. The moral impact of society (including family) on youth is greater than that of schools."⁴³

It is apparent that Chinese educators are hampered in their discussion of the moral education of youth by two things. One is lack of information on the great body of Western literature on youth psychology and especially political socialization. Chinese teachers are still under the influence of Soviet writing on education. In addition, Chinese educators deplore but can do nothing to change the Party orthodoxy of political education such as crude ideological lectures or "telling bitterness," even though it has proved to be ineffective.

Conclusion

In concluding, I wish to address three issues. First is the genesis of the present youth problem in China. As a Chinese saying goes, "an ice sheet of ten feet depth is not made in one winter." Neither is the youth question in China. There is much evidence that lack of interest in

41. "An Exploration Into the Norms Governing the Process of Political Thought Education of Youth," *Jiaoyu Yanjiu*, No. 2, 1982, pp. 23-27.

42. Yuan Shuren, "On the Process of Moral Education," *Jiaoyu Yanjiu*, No. 2, 1982, pp. 28-36.

43. Ibid.

ideology and political campaigns among students and youth in China existed throughout the "Mao era" of 1949–76.⁴⁴ Discussions on the meaning of life, disillusionment with Communism, and materialism first took place in 1962–64, following the debacles of the "Hundred Flowers Blooming" and "Great Leap Forward" campaign.⁴⁵ The Cultural Revolution was caused partly by Mao's concern over the "ideological color" of the young generation. Mao had talked about the hope of "imperialists" that problems in China's continuity would develop in the third or fourth generation, and he resolved to prevent that.⁴⁶ The ideological disillusionment of Chinese youth joined force with accumulation of unsatisfactory life conditions. A Shanghai teacher testified in 1980: "I have been to Heilongjiang to visit educated Shanghai youth assigned there. I feel^t that the difficulties these youth faced were not experienced by our generation of the 1950s."⁴⁷ After Mao's death, the admission by the new Communist leadership that the Chinese economy was "on the verge of collapse" permitted youth disillusionment and even revolt to come to the surface and form into a movement in 1978–79.

Second, the youth problem on mainland China is also part of the crisis of socialist nations. The present outlook of Chinese youth is not very different from that of youths in East European nations after de-Stalinization.⁴⁸ Gitelman's description of youth in Czechoslovakia illustrates the point: "Its political ideals are subordinated to the present. . . . Compared with the preceding generations, it sees the purpose of life in the satisfaction of immediate individual needs and interests and this results in some respects in a consumer style of life. The younger generation has less intense interest in the values and problems of a whole-social nature, especially in the political ideological ones."⁴⁹

44. Yuan Hanqing, "What I Have Witnessed Concerning Problems in the Thinking of University Students," *Xuexi*, 1:5 (1949), pp. 36–37; Hu Yu-pang, "Raise Your Vigilance and Consciousness," *Extracts from Mainland China Magazines*, No. 17 (1955), pp. 49–58; Kuan Chih-hao, "The Spirit of Being a Little Rigid, A Little Tighter," *Extracts from Mainland China Magazines*, No. 128 (1958), pp. 122–126.

45. See "What Do Women Live For?," in *Survey of Mainland China Magazines*, No. 374, pp. 27–34, and No. 386, pp. 12–17.

46. *Mao Tse-tung Ssu-hsiang Wan-sui*, No. 2 (Washington, D.C.: Center for Chinese Research Materials, 1970), pp. 500–504.

47. "The Characteristics of the Minds of Youth Today," *Jiaoyu Yanjiu*, No. 1, 1981, pp. 46–47.

48. Stainslau Skrzypek, "The Political, Cultural, and Social Views of Yugoslav Youth," *Public Opinion Quarterly*, 29:1 (Spring 1980), pp. 87–106; Emilia Wilder, "Impact of Poland's 'Stabilization' on Its Youth," *Public Opinion Quarterly*, 28:3 (Fall 1964), pp. 447–452.

49. Zvi Y. Gitelman, "Public Opinion in Czechoslovakia," in Walter D. Connor and Zvi Y. Gitelman (eds.), *Public Opinion in European Socialist Systems* (New York: Praeger, 1977), pp. 83–93.

Third, the youth problem in China must also be interpreted in the context of permanent scientific and technological change in the world. As we have seen in Chinese polls of student opinions, the interferences of the Cultural Revolution and other political campaigns in the 1949–76 period did not stop the penetration of the scientific and technical aspects of modernization in China. Though lagging behind most Western nations, mainland China nevertheless is part of the “world revolution” of scientific transformation. The impact of this transformation on youth in general is summed up by Eisenstadt: “In both primitive and traditional societies, we observe a close and comprehensive linkage between personal temporal transition and societal or cosmic times, a linkage most fully expressed in the *rites de passage*. Consequently, transition from childhood to adulthood in all such societies is given full meaning in terms of ultimate cultural values and symbols borne or symbolized by various adult role models.”⁵⁰ But with industrialization and even postindustrialization, “the close linkage between the growth of personality, psychological maturation, and definite role models derived from the adult world has become greatly weakened. Hence the very coalescence of youth into special groups only tends to emphasize their problematic, uncertain standing from the point of cultural values and symbols.”⁵¹

Socialist nations seek to use modern knowledge of mass mobilization under a totalitarian political structure to maintain the traditionally close linkage between “personal temporal transition” and “societal or cosmic time.” For a while, this combination of old social psychology with modern organization did tap youth’s energy and radicalism, without which the victory of the Communist Party of China could not have been realized. With political victory comes the rub, for socialist nations are committed to permanent scientific and technological change that, as Eisenstadt points out, tends to work against the traditional linkage between youth and societal values. The problem of youth is magnified several fold when socialist systems on mainland China or in Eastern Europe prove to be incompetent in managing social and economic change. Hence, as one writer puts it, the passage of mainland China youth is from “blind faith to skepticism and from skepticism to awakening.” Awakening, however, is dangerous to a socialist system. An official in charge of student political instruction at the prestigious Qinghua University in Beijing reports: “A section of youth, after abandoning the false Marxism of Lin Biao and the ‘Gang of Four,’ turned to bourgeois literature and political theories to search for answers to practical problems. They accept some rotten

50. S. N. Eisenstadt, “Archetypal Patterns of Youth,” in Erik H. Erikson (ed.), *The Challenge of Youth* (New York: Doubleday, 1965), pp. 29–50.

51. *Ibid.*

bourgeois theories that had long been criticized in classical Marxist works as the latest truth." "The most fundamental solution," writes this same Qinghua official, "is to strengthen the education of Marxist and Mao Zedong theory."⁵² But the so-called fundamental solution, as we have shown throughout this article, is a cause of the present youth problem.

China's youth problem is not likely to lessen until Chinese Communist leaders come to terms with two realities. First, because of the nature of industrial society, the traditionally intense and singular linkage between the young generation and cosmic values has been transformed into extensive and pluralistic identifications. Second, as Lu Xun tells us, young people come in all forms. It is up to the Communist Party to find the right constituents, either in "that quiet, determined, and competent youth," or in those like Lei Feng who "supplement and recreate" Communist leaders themselves. We already know what the latter choice has brought to the youth of the People's Republic of China.

52. Lin Ke, "Strengthen the Political Education."

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A SOVIET SYMPOSIUM ON PACIFIC-ASIAN ISSUES

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THE ARMS RACE AND ITS CONSEQUENCES FOR DEVELOPING COUNTRIES

Georgy Kim

The sharp aggravation of the anti-relaxation of tensions and confrontation processes accompanied by the impetuous arms buildup at a global level is turning into the most dangerous reality of present-day developments in the world. Regretful as it may be, developing countries are being drawn more and more intensively into the arms race.

Needless to say, mounting confrontation and the arms race at global and regional levels lead to a destabilization of the world situation and enhance the threat of thermonuclear conflict. The current prominent trend in world relations of showing military strength and escalating militarism and the arms buildup not only increases the probability of a global thermonuclear catastrophe but also slows down social progress as a whole and exerts a particularly negative influence on the social and economic development of the newly free countries.

Now that the developing countries of Asia, Africa, and Latin America face the tremendous task of carrying through social and economic reforms designed to help them do away with backwardness, poverty, starvation, and disease, the general climate of international relations that would allow them to concentrate their efforts on solving the above-mentioned problems acquires primary importance.

The involvement of the developing countries in the system of contemporary international relations with all its negative consequences caused by confrontation and anti-relaxation factors leaves open to doubt their ability to put into effect national development programs. According to the Stockholm International Peace Research Institute (SIPRI), in 1982 spending on arms around the world reached the astronomic sum of 750

Georgy Kim is a corresponding member of the Academy of Sciences of the USSR.

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billion dollars.¹ This is approximately a 23-fold increase over the 1930s. Since 1.78 military spending in the world has risen at an average annual rate of 4%, surpassing the annual growth rate of the world capitalist economy (1.5%).² The purpose of this essay is not to deal with the main aspects of the arms race in today's world but to concentrate instead on how the arms buildup affects developing countries. Events of the past few years show that as the global arms race accelerates, it tends to involve developing countries more and more in the general militarization process, promotes mini arms races, and creates dangerous hotbeds of confrontation between those countries, thus aggravating the already complicated international situation. In this context the anti-relaxation process that began developing in the mid-1970s has in our opinion considerably multiplied the negative influence of the global arms race on the arms buildup in developing countries.

It was in those years that the United States, after making the strategy of "open confrontation" with the Soviet Union at global and regional levels a cornerstone of its foreign policy course, began qualifying any social or political developments in the newly liberated countries as the result of the Soviet Union's "underhanded scheming" that infringed upon the vital interests of the United States. Interpreting freely the notion of the "defense of national or vital interests," the U.S. government, in fact, takes advantage of the situation in developing countries to meet its geopolitical ends and to tip the balance of forces in the world in its favor. As is known, the United States officially based its departure from the policy of relaxation of tension and its move toward greater confrontation on the unfavorable changes in developing countries that allegedly occurred there through the fault of the Soviet Union, who ostensibly used the relaxation process of the 1970s to achieve its own purposes. There is no need to dwell at length on this one-sided and tendentious approach of the U.S. government to the processes taking place in the so-called third world. Much more important here is the awareness that the implementation of the U.S. strategy of "open confrontation" in Asia, Africa, and Latin America, and also on the high seas, led and still leads to the drastic expansion of a conflict zone. It adds a global nature to conflicts and increases the level of tension. This in turn stimulates the general militarization trend and worsens the international situation by speeding up the arms race and drawing more and more countries and regions of the developing world into it.

All these factors taken together have created a situation in the Asian,

1. SIPRI, *Yearbook* 1983, p. XL.

2. Ibid., OCED, May 1981; May, November 1982; May 1983.

African, and Latin American countries in which the relationship between the general strategy of the West and the global arms race, on the one hand, and local conflicts and mini arms races, on the other, has become more distinct and tangible, causing an ever greater instability in international relations and intensifying the negative effect of that instability on the developing countries.

Whenever there is talk about conflict areas on this planet, our eyes turn to developing countries, first and foremost. From the end of World War II up to 1982, a total of almost 150 local armed conflicts in which more than 10 million people died were registered in the world. Some 50 conflicts counted in the world today are all concentrated in the zone of the national liberation movement. There is no need to prove that the developing countries have sustained tremendous losses because of all these conflicts. The still continuing Iran-Iraq war alone has already taken, according to modest estimates, many thousands of human lives.

The anti-relaxation process has not only extended the developing countries' participation in conflicts but, first of all, has brought about a sharp rise in their military spending—from 27.8 billion dollars in 1970 to more than 125 billion dollars in 1982.³ By 1982 the share of the developing countries in the world's total military spending amounted to 16% (as against 7.2% in 1970). The developing world leaves behind the industrially advanced countries in the ratio of this spending to GNP (5.9%). There are 15 million men in the armies of the newly liberated countries—60% of all the servicemen in the world. The developing countries account today for about 75% of the world's arms imports.⁴

The potentially explosive regions are receiving larger consignments of arms than other less troublesome spots. As SIPRI reported in 1983, in the years between 1978 and 1982, spending for military purposes increased by 18 billion dollars in the Middle East, by 12 billion dollars in East Asia (excluding China), by 8 billion dollars in Southern Africa, and by 7.5 billion dollars in Latin America; in other words, over this short period of time, military spending in the most conflict-prone regions rose by a total sum of 50 billion dollars.⁵

The mechanism escalating the arms race in developing countries is identical to the one escalating the global race—the purchases of new consignments and systems of arms by one group of countries automati-

3. See SIPRI, *Yearbook* 1983, p. 161 (the Chinese People's Republic, Egypt, South Africa, and Israel are not included).

4. F. Castro, *The World Economic and Social Crisis* (Havana, 1983), pp. 204, 207. UNCTAD, *Trade and Development Report*, 1982, p. 123.

5. SIPRI, *Yearbook* 1983, p. 157.

cally elicits similar moves in neighboring countries. This is a kind of chain reaction resulting in permanent expansion, an uninterrupted replenishment of military arsenals, a kind of race in the quantitative and qualitative accumulation of arms. Concerned with their security, many peace-loving, genuinely nonaligned countries often have to seek help from alternative sources, redirecting their already scanty resources to military spending. For example, large deliveries of U.S. arms to Pakistan have proved to be, as Indian leaders point out, a destabilizing factor in the South Asian region. Former Indian President Reddi warned that these deliveries could upset the existing balance and set the stage for an arms race.⁶ As a counterstep India had to sign an agreement with France on the delivery of 150 Mirage-2000 aircraft⁷ and lately has been employing measures to further strengthen its security.

The relationship between the arms race and the social and economic development of the countries in Asia, Africa, and Latin America, requires a more detailed examination, especially since there are different opinions on that matter. Some researchers in the West tend to belittle the importance of mini arms races in the newly free countries, emphasizing the relatively small overall share of developing countries in the world's spending on military purposes. It's obvious, however, that for the developing world, with its backwardness, poverty, and starvation, even a one percent share in the world's spending on arms is not the same as it is for the industrially advanced countries. If this 1% share, which amounts to 7 billion dollars, were used for peaceful purposes, it could give the peoples of the developing countries additional opportunities to solve their most pressing economic and social problems.

One argument often advanced is that these countries are building up conventional and not nuclear arms and that therefore this does not deserve the serious attention of the world public. Naturally, nothing is said about the fact that the gap between conventional and tactical nuclear arms is narrowing all the time. During the Middle East war in 1973, it took only a few days to destroy by "conventional arms" the same amount of equipment it took weeks to destroy during major operations in World War II. Aviation in 1973 used concrete piercing and pellet bombs to demolish protected targets and increase casualties, and it used anti-air radar missiles and the latest in reconnaissance. In 1982 American-made "implosion" or "vacuum" bombs and also phosphorous and pellet bombs and shells were used in Lebanon for the first time. Consequently, as experience shows, so-called conventional arms have actually turned into

6. *Time*, October 26, 1981.

7. *Ibid.*

"near-nuclear weapons"—that is, weapons whose destructive capacity can be equated with that of tactical warheads.

The escalation of the arms race in the developing world and the growing confrontation between individual countries has become the source of a perilous new danger—the possibility that some newly liberated countries may be given access to nuclear arms. The Brookings Institution in the United States claims that about 15 developing countries will be able to begin producing nuclear weapons in the near future.⁸ Moreover, close to nuclear possession are several countries that nurture aggressive plans in relation to their neighbors. If these countries ever obtain nuclear arms it would have catastrophic consequences for all nations and would shatter the system of nuclear arms nonproliferation. The risk of a war with the use of nuclear arms would be enhanced many times. Consequently, the international community cannot afford complacency regarding "mini" arms races in developing countries.

Let's now look at the social and economic consequences of the arms race. It is a common view that arms purchases are a heavy burden on state budgets in many newly free countries and that they cause a growing deficit in balance of payments. Already in 1978 spending on arms accounted for half of all the developing countries' deficits of current accounts. Since then, as is known, this spending has been continuously and rapidly increasing. This tendency looks particularly alarming in light of the recent prediction issued by the International Bank for Reconstruction and Development. It says that the payments deficit of the developing countries is expected to exceed 276 billion dollars by 1995. Mention should be made at this point of the growing debt of the developing countries, which in 1983 reached the enormous sum of almost 700 billion dollars.

Some researchers claim that military spending exerts no serious negative influence on the economic growth rate and on the social infrastructure in developing countries. Dealing only with total sums of military expenditures, they often overlook deep economic and social consequences of military preparations that greatly upset the order of development priorities.

It is common knowledge that military spending in developing countries results in more "lost opportunities" than in the advanced countries. The weaker the economic and industrial foundation and the heavier the burden of formally equal (in terms of GNP) military expenditures, the stronger is their detrimental impact on the national economies since

8. E. Lefever, *Nuclear Arms in the Third World: U.S. Policy Dilemma* (Washington, D.C.: Brookings Institution, 1979), p. 23.

military expenditures in this case represent a straight deduction from the already low accumulation share. The developing countries' own military buildup in this case enlarges even further the imbalances in their economies and deforms their so far inadequate social and economic structures.

The case is not rare when the world's poorest countries, whose social and economic problems require urgent solution, become buyers of arms. It has been estimated, for example, that each dollar spent by these countries on military purposes cuts investments to the national economy by 25 cents. While channeling some 6% of their GNPs into military buildup, the poorest nations spend at the same time only 1% on health services and 2.8% on education.⁹

Being drawn more and more into general militarization processes, some developing countries have embarked on the creation of their own war industries. According to SIPRI experts, such industries already exist in at least 30 developing countries. At present 16 developing countries are producers of aircraft, 20 of military vessels, 8 of missiles, 5 of armored personnel vehicles, and so on.¹⁰

Some Western experts and researchers claim that the building of war industries in developing countries introduces advanced technology into their economies. In other words, they say the building of the war industry and scientific and technological progress are two inseparable processes. This opinion, however, is far removed from reality. Experience in the establishment of war industries in some developing countries proves that against the background of the generally backward industrial foundation, war industries demand a concentration of capital, high technology enterprises, and a skilled labor force—all ensured at the expense of civil production. What we are dealing with in this case are two peculiar industrial layers: the top military layer and the low civilian. As a result, war industries assume a closed, enclave nature. They function autonomously within the national economic system as an independent organism inside the economies of newly free countries, as a parasite on other industries. Arguments that war industries stimulate economic growth by acting as catalysts of scientific and technological advance cannot hold water. In any case, the negative influence is immeasurably greater than the positive contribution that war industries in developing countries make to the scientific and technological revolution.

By spending about 6% of their GNPs for military purposes, the

9. *The Economist*, February 19, 1983, p. 54; IBRD, *World Development Report*, 1982, p. 110.

10. *Jeune Afrique* (Paris), Juillet 15, 1981, p. 62.

developing countries cut their rate of economic growth by 1.6% to 2.1%.¹¹ This widens further the economic gap between the West and the developing countries. By the beginning of the 1980s, the gap between the advanced capitalist and the developing (non-oil-producing) countries in the rate of per capita income growth stood at a 22 to 1 ratio and exerted an increasingly unfavorable influence on the general climate of international relations. Furthermore, arms buildups in developing countries entail a huge nonproductive waste of labor resources of their most valued category—technical personnel. The technological level of the arms and military hardware manufacturing industries surpasses many times over that of the civilian branches of industry. The army and munitions industry makes it impossible to use for productive purposes the most able and well-trained workers, technicians, and engineers, who are always in short supply.

Some Western experts still believe that military spending and investments in the war industry, above all, are an effective means of maintaining and boosting employment, or at least relieving unemployment. In reality the effect is just the opposite: instead of bringing the unemployment level down, military investments send it up. It has been estimated that the investment of one billion dollars in the war industry creates jobs for approximately 75 thousand people, while the same sum invested in civilian production would create 92 thousand jobs in transport, 100 thousand in the building industry, 139 thousand in the health services, or 187 thousand in education. According to some estimates, a 30% cut in military spending and the use of the money thus released for civilian purposes would reduce unemployment in the United States by 2.1%.¹²

The unfavorable consequences of military buildups for advanced economies prove to be even more detrimental to the economies of developing countries. Maintained at the current rate, the military buildup in developing countries results in their economic stagnation, making it extremely difficult or even impossible for them to enter the road to social and economic progress.

There is one more, extremely important aspect to that problem. As a continuation and component part of the global arms race, the arms race in developing countries is turning more and more into a booster of international tension. This connection between two sides of one process preordains the concrete economic losses of developing countries caused by international tension and precludes the economic benefits that these countries might derive from the relaxation of tension and the halt of the

11. The estimates are made on the basis of UN Doc. A/8469/Rev.1, 1978, p. 56.

12. *Der Spiegel*, No. 36, 1981, p. 42.

arms race on both a global and regional scale. Through this relationship between the relaxation of tension and development one can see clearly that the present-day world is indivisible and that all the peoples of this planet are equally interested in preventing a new world war and in ending the senseless and wasteful arms race.

This demand of the times reaches more and more people in developing countries, where some have felt until recently that questions of war and peace were not of primary importance for those countries but the prerogative of the advanced countries and even the exclusive concern of the great powers. Experience, however, has refuted that theory. It has proved that at the current level of military technology increased tension affects all countries and peoples. Positive shifts in the developing countries' approach to war and peace were displayed at the 7th conference of nonaligned countries in Delhi in early 1983. The conference outlined as key tasks of the developing countries' foreign policy the need to work to defend peace, promote the relaxation of tension, and slow down the arms race. At the 6th session of the United Nations Conference for Trade and Development (UNCTAD), envoys of many developing countries pointed in their speeches to the relationship between international trade and economic cooperation. As Indian Prime Minister Indira Gandhi has declared, the progress of all countries, both advanced and developing, fully depends on world peace.¹³

Naturally, disarmament alone can hardly be a key to the solution of all the problems of social and economic development in the newly liberated countries, but to a great extent it would help improve the world economic order in which many problems experienced by developing countries are deeply rooted. United Nations experts believe that even a 20% reduction in the world's total military spending would not only satisfy the most pressing economic needs but also narrow considerably the gap in economic development between advanced and developing countries.¹⁴ It would create additional opportunities for essentially increasing help to developing countries, as well as open new opportunities that would arise from a reduction in the military spending by developing countries themselves and from a possible rechanneling of their resources to the economic and social sphere with the aim of combating poverty, starvation, disease, and illiteracy.

Along with bringing obvious social and economic benefits, disarmament would also exert a favorable psychological effect on relations between people by helping them realize their common interests and

13. *FCIB*, No. 69, 1983, p. 1.

14. *Peace and Disarmament. Scientific Studies* (Moscow, 1980), p. 55.

their interdependence on this planet. Then the calls for a joint solution of global problems would have a considerably more active response from all the peoples on earth.

We are most certain that the proposals of the Soviet Union, the rest of the socialist community, and a number of developing countries contain concrete and realistic measures for ensuring security and peace on earth. They include the pledge not to be the first to use nuclear arms and the call for freezing American and Soviet nuclear arms and for signing an agreement between the Warsaw Treaty and NATO countries on the non-use of military force. There is also the pledge not to use nuclear arms against the nonnuclear countries, the call for creating peace and nuclear-free zones. In addition, these proposals provide for the non-proliferation of nuclear arms in any form, for a reduction of nuclear arms and their subsequent elimination in keeping with the principle of equality and equal security, for a cut in military budgets, and for many other measures designed not only to curb the arms race at a global level but also to weaken militarist trends in the developing world.

Taking into account that growing military expenditures are closely linked to the escalation of the arms race, the political declaration adopted by the Warsaw Treaty countries in 1983 states that the participants in the meeting appeal to NATO countries to agree not to increase military spending and to subsequently reduce spending on a percentage basis or in absolute terms. . . . The money saved as a result of cuts in military spending would be used for economic and social development and in particular for helping developing countries progress along those lines.¹⁵

Similar ideas are contained in the proposal made by the Warsaw Treaty countries to NATO members on March 5, 1984.

Equally constructive could be joint initiatives aimed at promoting security, say, in the Indian Ocean, where there are genuine opportunities to establish a peace zone—an idea toward which India is working so persistently. Also important could be confidence-building measures in East Asia or an all-embracing settlement in the Middle East. Humanity is now confronted with a dilemma: either to find ways to ease international tensions through the joint efforts of nations or to let the world slide down at an increasing speed toward the abyss of a nuclear conflict. A third alternative simply does not exist.

15. *Pravda*, January 7, 1983.

ARMS LIMITATION AND THE SITUATION IN THE ASIAN-PACIFIC AND INDIAN OCEAN REGIONS

Alexei G. Arbatov

The negotiations on arms limitation and reduction of nuclear armaments have been suspended at a time when the arms race, including the nuclear arms race, has been gaining momentum and becoming ever more dangerous. Negotiations related to the reduction of international tension and the prevention of war in various regions are presently not being conducted. Nevertheless, it is our duty to think about the future. Being indivisible, international security issues should be extended beyond Europe where, despite all the current difficulties, a mechanism for cooperation in this field has been established. Stable peace relations in one part of the world can hardly be guaranteed if enmity and confrontation prevail in other parts of the globe. Therefore, the problem of limiting and reducing strategic armaments, including medium range nuclear systems, will surely involve in due time the Asian-Pacific and the Indian Ocean regions.

One of the special features describing the situation in these regions is that they are the most explosive and unstable zones on the globe. Large powers such as the USSR, China, and Japan are neighbors in the Asian-Pacific region, and the active U.S. military presence there is supported by a broad network of air, naval, and land bases. These regions were the scenes of the largest use of military force since World War II in Korea and in Indochina. Numerous military conflicts varying in character and scale between other countries had occurred and continue to develop there. Presently the Asian-Pacific and Indian Ocean regions remain as the knot of international conflicts and high concentrations of military power.

The deployment of large quantities of nuclear weapons presents tremendous danger to the countries of the region. It is sufficient to note that

Alexei G. Arbatov is Section Chief, Institute of World Economy and International Relations, Moscow.

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the USSR and other socialist countries are bounded by some 50 U.S. military bases and facilities (24 in the Pacific and about 30 in the Indian Ocean zone). Some of them have strategic and medium range nuclear weapons capable of reaching all Asian territories of the USSR and the whole of Siberia, even the Taimir peninsula in its extreme northern part.

It is generally known that the talks on the limitation and reduction of strategic arms have been tightly deadlocked for a long time. In the USSR, we attribute it to the American side because its position in 1982–83 prevented the reaching of a mutually acceptable compromise. Consequently, the USSR had to withdraw from the talks and to reconsider its approach in view of deployment of U.S. nuclear missiles in Europe.

The essence of U.S. proposals can be brought down to at least two aspects, raising a question directly associated with the Asian-Pacific region. First, the U.S. proposal on strategic arms limitation and reduction requires the immediate reduction of the Soviet land-based intercontinental missiles in which the USSR had traditionally maintained an advantage as compensation for the U.S. advantage in naval missiles and heavy bombers. During the SALT and START negotiations, the U.S. has always tried to push the Soviet strategic forces "into the sea" or, in other words, to make us undertake huge financial expenditures in order to reshape the structure of our strategic forces. The U.S. justifies these efforts on the grounds that they strengthened "strategic stability" because submarine-launched missiles are arbitrarily classified as a means of a retaliation strike and their enlarged share in strategic forces is presented as consolidation of "stability."

The USSR has a different approach to stability. Any agreement that unilaterally discriminates against the Soviet Union is unacceptable to us in principle because it would undermine the basis of negotiations—i.e., parity and equal security of sides. In light of the Soviet geostrategic position and the antisubmarine defense programs of the U.S. and its allies, the American efforts to push us "into the sea" are unacceptable. The situation in East Asia is a model case of that.

The routes out of the Vladivostok area into the high seas run through straits and narrow passages. Numerous U.S. military bases in the West Pacific support the operation of the U.S. navy, submarines, and antisubmarine aircraft. The acoustic submarine detection networks have literally entangled the entire Soviet Pacific coast including Chukotka, Kamchatka, and its important port of Petropavlovsk. Japanese security obligations and programs for expansion of its antisubmarine systems are likely to make the position of the USSR even worse. The antisubmarine defense system is described in the West as an exclusively defense ar-

rangement designed to "protect" sea communications of the U.S., Japan, and their allies and partners.

May I point out that from our coast we see it quite differently. We cannot think of a conflict with the U.S., Japan, or their allies that would last long enough, without turning into a global war, to allow regular submarine operations on sea routes to make an impact on the economy or the military efforts of our possible enemy. Disruption of sea communications would constitute a minor problem for the contending parties in case of global nuclear war.

Taking into account the specific geostrategic position of East Asia, we simply cannot ignore the threat of the U.S. and Japanese naval and air forces. The Pentagon has openly declared that a massive strike against the Soviet Navy at its bases would be the first stage, and the destruction of the Soviet Navy and submarines on the high seas the second stage in "protecting sea communications." These are exclusively offensive operations. Chasing the Soviet strategic missile submarines as well as efforts by the U.S. and Japanese antisubmarine defense system to constantly monitor them can be viewed in this country only as part of a military policy aimed at ensuring the U.S. and their allies a capability to make a preemptive strategic strike against the USSR. Therefore, we evaluate the efforts at the strategic arms talks to "push" the USSR into the high seas as an obvious element of U.S. policy to gain military superiority over the USSR.

Second, the U.S. raises a question regarding the radical "reduction of strategic arms—missiles and warheads." It suggests taking the relevant measures without due consideration of parity. At both the strategic arms talks and the talks on limiting medium-range nuclear weapons, the U.S. refused to take into consideration the nuclear potential of third countries, which, in fact, poses an additional danger to Soviet security. This danger is bound to increase in absolute and relative terms if the nuclear forces of third countries are allowed to grow without any restrictions and the strategic forces of the USSR and the U.S. are considerably reduced.

In evaluating the balance of forces in the Asian-Pacific region, we should not ignore the ever-increasing role of the Chinese factor. The British and French nuclear forces are unquestionably aimed against the USSR and other socialist countries and for that reason must be taken into consideration in determining NATO's nuclear potential in Europe. Evaluation of the military and strategic situation in the Asian-Pacific region is a more complex problem. In this case the Chinese nuclear potential consisting of about 100 medium-range missiles and 90 bombers capable of carrying nuclear weapons must be taken into account. China has already tested a ballistic missile capable of a 10,000 km range.

Prior to being discontinued because of the deployment of U.S. missiles in Europe, the talks on limiting medium-range nuclear weapons had already involved the Asian-Pacific region. The "zero" and "intermediate" options proposed by the U.S. at the talks provided for the destruction or limitation of the Soviet middle-range ballistic missiles in the European part of the USSR as well as to the east of the Urals.

It is generally known that the missiles in the Asian part of the USSR counterbalance the U.S. forward-based systems in East Asia. According to preliminary estimates, the U.S. has in the Pacific area at least 700 land and carrier-based aircraft capable of carrying 1200 nuclear warheads on one sortie. Their combat range is sufficient to strike against important centers in the USSR. Of particular danger are the aircraft based in South Korea and Japan (Misawa) and on the 7th Fleet advanced aircraft carriers capable of reaching Vladivostok—the administrative and industrial center of the Soviet Maritime Territory—in a matter of 20–30 minutes. For us it is the same as if Soviet air bases were located in Baja California or in the Bahamas and Soviet aircraft carriers with nuclear weapons aboard were assigned to the Gulf of Mexico.

At the talks on limiting nuclear weapons in Europe, the USSR proposed removing its middle range nuclear weapons from the western to the eastern part of its territory and refraining from increasing the number of middle-range missiles beyond the Urals if the U.S. does not build up its forward-based nuclear forces in the Asian-Pacific region. Not only did the U.S. fail to make a reciprocal commitment, but it continues to build up and improve its nuclear potential in East Asia. In addition to deployment of land-based ballistic and cruise missiles in Europe, the U.S. plans to proceed in the near future with the deployment in the Pacific of submarine and ship-launched "Tomahawk" cruise missiles.

The U.S. plans to deploy about 4,000 such missiles. Although it is claimed that only 400–600 of them will carry nuclear warheads, these will be absolutely indistinguishable from other cruise missiles of that type. This constitutes another negative aspect of U.S. policy since it undermines the opportunity to verify the limitation on cruise missiles, including the sea-based cruise missiles, by Soviet technical means. The U.S. has thus made any prospective solution to the middle-range nuclear weapons problem immensely difficult.

Within the context of restricting the nuclear arms race in this region, it is essential to comprehensively strengthen the nuclear arms nonproliferation system there. Working out an international convention to guarantee the security of nonnuclear states must be expedited in this connection. The USSR has already submitted its draft of such a convention to the Disarmament Committee of the U.N. It would be quite appropriate

if prior to working out the convention other states possessing nuclear weapons should make a commitment similar to that of the Soviet Union not to be the first to use nuclear weapons and to refrain from using them at all against states that refuse to acquire nuclear weapons or to have them on their territory.

Reduction of the danger of nuclear war in both the regional and global context would certainly help to solve an equally urgent problem of non-placement of nuclear weapons on the territory of those states not presently possessing them. The idea of this proposal is to assure that in the future nuclear weapons are not deployed on the territory of these states either in the form of combat nuclear systems deployed at sites or in the form of stored nuclear warheads, bombs, shells, and mines. Reaching an agreement on this problem would stop the process that may lead to serious ramifications, including the destabilization of the present strategic situation.

Quite obviously, solving this question depends a great deal on both the nonnuclear and nuclear states. A commitment not to place nuclear weapons in those countries that do not now have them would be a major positive step by the nuclear states. Surely such a commitment must be universal—i.e., to cover any nonnuclear state regardless of the fact that it is an ally of a nuclear power. As regards the USSR, it has indicated among other things its readiness to make a commitment not to place nuclear weapons in the Indian Ocean and not to use them against those countries of the region that refuse to acquire or to have such weapons on their territory.

As for the U.S., it is constantly breaking two of the three principles on nuclear weapons proclaimed by the Japanese government—namely, not to produce, import, or store them on Japanese territory. Japan and the neighboring areas are literally packed with nuclear weapons. Nuclear weapons for A-4 and A-6 U.S. delivery aircraft are stored at their air bases at Kadena (Okinawa) and Iwakuni (Honshu). Besides, according to the agreement signed between Tokyo and Washington, there are plans to deploy almost 50 F-16 U.S. Air Force fighter-bombers capable of delivering a strike at a range of 1000 km. The tension in the Korean peninsula is aggravated by the presence of 40,000 U.S. troops in South Korea armed with nuclear weapons. According to some data, there are 700 nuclear devices in South Korea.

Together with the nuclear systems, conventional armed forces stationed in the region play a significant role in increasing the probability of a global conflict. The principal source of danger in this case is the buildup of the naval presence of outsider countries, the increased activity of the ANZUS-type military alliances, and involvement of some local

countries in military activity. Presently, the strength of U.S. troops in East Asia and in the Pacific is 351,000 while the U.S. Pacific Command operates 6 aircraft carriers, 212 other ships, 44 nuclear and diesel submarines, and 1,250 aircraft.

U.S. bases in Japan, South Korea, the Philippines, and other locations have been expanded and modernized. In Japan alone the U.S. has 120 military facilities quartering 48,000 American servicemen. Large-scale military preparations have been carried out in the Indian Ocean also. In recent years, up to two U.S. tactical naval groups were regularly cruising in the Arabian Sea and the Persian Gulf. These groups consisted of one or two multipurpose aircraft carriers (capable of carrying 180 combat aircraft), 2-4 missile cruisers, 9-12 combat ships and frigates, 2-3 multipurpose nuclear submarines, and 12-18 support vessels. When the situation in any littoral state deteriorated (e.g., 1980 in Iran), the U.S. attack forces in the Indian Ocean practically doubled. Each time the number of aircraft increased to 360, of which 150-160 were capable of carrying nuclear weapons.

There are about 30 U.S. military bases in the Indian Ocean area. The 220,000-strong Rapid Deployment Force is maintained for quick transportation into the area. Other NATO countries are involved in militarization of this zone also. France maintains 8-10 combat ships and 12,000 soldiers in the western part of the Indian Ocean. Great Britain regularly dispatches 10 combat ships and support vessels on patrol missions to the Indian Ocean. In spring 1980 the Federal Republic of Germany sent its combat ships to the Indian Ocean for the first time to participate in joint maneuvers with the U.S.

In terms of the rate of increase in its military expenditures, Japan has been much ahead even of the NATO countries. For the financial year starting April 1, 1984, the Nakasone government proposed a draft budget providing for a 6.55% increase in military expenditures. According to the military program for 1983-87 recently published in Tokyo, during the next five-year period military expenditures will amount to 60 million dollars. Upon implementing the program, the Japanese Navy will have 178 ships and 175 aircraft, its Air Force 220 aircraft, and its armed forces 1,314 tanks and other weapons systems. In 1984 the Japanese armed forces have 285,000 men, 60 naval combat ships and submarines, and 400 fighter-bombers and other planes.

South Korea has been actively participating in the militarization of the Asian-Pacific region and has one of the world's largest armies. Spending over six billion dollars on military preparations, the ASEAN countries are capable of maintaining an army of 770,000 men. During the past six years, the U.S. has supplied three billion dollars worth of military goods

to the ASEAN countries, and by 1990 the supply of U.S. weapons and military hardware to these countries is to double.

Under the circumstances of the arms race in the Asia-Pacific and Indian Ocean regions continuing on an evermore dangerous scale, certain steps could be undertaken to limit it. A commitment to limit naval operations could be one of the most appropriate steps. We think that the U.S. and Japan, who have been continuously discussing the "danger" of the Soviet Pacific Navy, should take a lively interest in this proposal if they are genuinely concerned with naval rivalry in the Pacific.

Ever important is the proposal to create a zone of peace in the Indian Ocean. The four rounds of Soviet-U.S. talks helped to outline their real perspectives on a stage-by-stage solution to the problem. The first stage envisages "freezing" and stabilizing the levels of their military presence there. The second stage involves the gradual and consecutive reduction of military activity and liquidation of foreign military bases.

It is essential that *the first stage* of the agreement should include the levels of military presence of the parties' allies (the "allies factor") and the *availability of military bases* for the U.S. and its allies, including their bases in the region directly situated in the Indian Ocean (the "neighboring areas factor"). During the first stage, the parties should make a commitment *not to send their strategic forces* to the Indian Ocean and to refrain from creating an infrastructure there to support the operation of their strategic forces.

It is most desirable that the interrupted Soviet-U.S. talks should resume. As is known, the 38th session of the U.N. General Assembly adopted a resolution instructing a special U.N. Committee to take decisive steps to organize a Conference on the Indian Ocean in Colombo in 1985. A successful conference would create the opportunity to reduce military tension in the region. Nevertheless, prior to the convening of the Colombo Conference, the littoral states might announce that they will refrain from any steps capable of worsening the situation in the Indian Ocean area.

These states could make a decision not to send large naval forces to the Indian Ocean, not to hold military maneuvers, and not to create new military bases there. No power should try to establish its sphere of interest or influence in the Indian Ocean. Many similar measures could also be applied to the Asian-Pacific region.

In pursuing the goal of easing the dangerous tension in the Asian-Pacific and the Indian Ocean regions, it is essential to extend confidence building measures to these regions. This is a problem of regional and global importance. Naturally, the character, the volume, and the itinerary of such measures should be identified subject to local conditions. At

the same time, the principles of equality and mutuality, the vitality of which has been proved in Europe, should unquestionably become the underlying principles for working out and applying confidence building measures in these regions. Therefore, such steps as 30-days notification of military maneuvers exceeding an agreed level and notification of large movements of land forces and of large-scale air force and naval maneuvers held in the vicinity of territorial waters of other parties to an agreement would be appropriate. It might be quite useful to agree to limit the scale of military maneuvers and to discuss the question of extending the confidence building measures to the high seas and particularly to the area of the busiest sea routes.

Creating the comprehensive system of collective security in Asia advocated by the Soviet Union is impossible without the liquidation of hotbeds of tension in this region. In particular, it is essential to reach a just and lasting peace in the Middle East on the basis of ending the Israeli occupation of all Arab territories seized in 1967, to implement the inalienable rights of the Arab people of Palestine including the right to create their own state, and to ensure the security and sovereignty of all states in the region. The program for a political settlement around Afghanistan could envisage Afghani-Pakistani and Afghani-Iranian talks for working out an agreement based on the principles of good neighborliness, noninterference in their domestic affairs, and appropriate guarantees by certain countries, including the USSR and the U.S., as an integral part of an overall settlement to ensure peace and cooperation in Southeast Asia and in other regions.

However, the normalization of relations between the countries of these regions and working out the appropriate confidence building measures do not require the cooperation of all these countries. Keeping in view the creation of a comprehensive security system in the Asian-Pacific and Indian Ocean regions, the process could be started not only by strengthening subregional agreements (like a convention on reciprocal nonaggression and the non-use of force between the states of Asia and the Pacific proposed by the People's Republic of Mongolia, and the proposal of the countries of Indochina to hold a regional conference with the participation of the ASEAN countries to sign a similar convention), but also by improving bilateral relations. This process would be greatly facilitated by the improvement of relations between the Soviet Union and the People's Republic of China on the basis of good neighborliness, equality, and reciprocity.

A reliable legal foundation, including the conclusion of a Soviet-Japanese peace treaty, should underlie the relations between these two countries. If the Japanese side is not ready to conclude a peace treaty,

then a treaty of friendship and cooperation could be signed. Given the corresponding readiness of Japan, a draft acceptable to both parties to be used as a necessary legal basis for the strengthening of mutual confidence could be worked out. It is also essential to define appropriate forms for U.S. participation in the system of confidence building measures in East Asia on the condition that the U.S. would demonstrate a desire to avoid explosive situations.

The extension of confidence building measures to the Asian-Pacific and Indian Ocean regions may run into many difficulties. But the need to relieve the military danger overshadowing all countries and peoples requires tapping the huge resources available for strengthening confidence on our planet.

SOUTH ASIA AND THE INDIAN OCEAN IN THE 1980s

Some Trends Toward Changes In International Relations

Alexander I. Chicherov

It appears that an examination of the main causes of changes in international relations (IR) in South Asia and the Indian Ocean in the 1980s makes it possible to speak of the very important effect of global factors, primarily an extremely acute intensification of the struggle between the two world systems and the worsening of relations between the U.S. and the Soviet Union, generated by the confrontationalist and militarist foreign policy of the current U.S. administration. The consequences—the serious deterioration of detente, the unheard of increase in the arms race, particularly nuclear weapons, and the deliberate disruption of the negotiation process, etc.—are common knowledge. “All this,” emphasized the General Secretary of the Central Committee of the Communist Party of the Soviet Union, K. U. Chernenko, in his response to the appeal of the Socialist International leaders, “is a result of a known policy aimed at disrupting the existing equilibrium and attaining military superiority over the Soviet Union.”¹

The important elements in this destructive process are, to use the U.S. government’s official terminology, the “direct” or “rigid” confrontation with the Soviet Union at the global and regional levels, the possibility of winning a nuclear war against the Soviet Union, and the emphasis on military might to secure “vital zones” for the U.S. and its allies in the developing world—i.e., various militarist solutions to undesirable problems in different parts of the developing world. In the definition of principal objectives of global policy at the governmental level appeared a

Alexander I. Chicherov is Professor and Head of the International Research Department, Institute of Oriental Studies, Moscow.

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1. *Pravda*, April 4, 1984.

concept of a "crusade" against the USSR as an "evil empire," the previous concepts of "one and a half" or "two and a half" wars against the Soviet Union, "horizontal escalation," and simultaneous warfare against the Soviet Union in Europe, the Middle East, Asia, and Latin America, etc. Such a policy has an extremely destructive and dangerous effect on global and regional IR.

This course is opposed by a policy designed to bridle the arms race, to return to detente, and to strengthen international security, which is supported primarily by the world socialist community and also by influential forces in the West, including some sections of the political establishment in the U.S. and an absolute majority of the nonaligned countries.

Naturally, such global phenomena as the economic and financial commodity recessions and crises experienced by the world market economy, and the international arms race and the proliferation of nuclear weapons, should also be regarded as factors that produce a negative effect on the changes in the structure of IR in the region.

On the other hand, it is obvious that such "internal" factors as socioeconomic changes in the countries of the region, "old" and new conflicts and contradictions (border, religious, ethnic and ideological, political, etc.) and the active efforts to overcome them, the growing activity of the nonaligned movement, and the strengthening of the trends toward subregional unity also have a profound impact on the IR structure in the region.

It seems possible to speak of some specific features of the structure of IR in South Asia and the Indian Ocean, including the Persian Gulf. Compared to the IR structure in Europe and the West Atlantic or in East Asia and the Asia-Pacific region, it is less clear or "rigid"; accordingly, it is more complex, involves more factors, and especially is more "polycentric," more changeable and "fluid." It contains more internal conflicts that are not always related to or determined by the global struggle of the two systems, although this struggle certainly has an important, and often critical, effect on the changes in the region's IR structure.

In the South Asia and Indian Ocean region there is, in fact, no *direct territorial* confrontation between the two opposite global military and political organizations—NATO and the Warsaw Treaty—divided, as for instance, in Europe, by a stable land border. The conditions in South Asia are in contrast to the relatively rigid, and mostly bipolar, structure of IR in Europe and the North Atlantic (although France and Yugoslavia's foreign policies are the factors that complicate, to a certain extent, this rigid bipolarity). The *polycentric* factor in IR is especially marked in

the Indian Ocean and the Persian Gulf, combined with strong trends toward *subregionalism* (the Arab world, Southeast Asia, South Asia, Southwest Asia, etc.). Although the general trends toward political and socioeconomic polarization of the developing countries are also sufficiently pronounced here, it would hardly be correct to assume that the countries of the region either follow the West or "lean" to the countries of the world socialist community. Nevertheless, there is an obvious and significant effect of the "rigid" global confrontation on the entire IR structure in the region.

In South Asia and the Indian Ocean there is no *direct* confrontation of the type existing in the Asian-Pacific region between the Soviet Union and its allies, on the one hand, and the *coalitions* and *blocs* of the U.S., Japan, South Korea, Australia, and New Zealand, on the other hand. But global "bipolarity" can be clearly traced through the confrontation in the Indian Ocean and the Persian Gulf between *bilateral* ties of the U.S. with the South African Republic, Australia, the ASEAN countries, Pakistan, Oman, and Saudi Arabia, and the Soviet Union's treaty relations with a number of countries in the region.

The South Asian region is characterized by an *independent political and economic role of the developing countries* that is *qualitatively new and more important* than that in the Asian-Pacific region. The South Asian countries are effectively struggling for their interests, which is reflected in their particularly active participation in the nonaligned movement and the U.N.

Finally, such a phenomenon as the "new" or contemporary nationalism is making itself increasingly felt in the region. Naturally, the concept of the new or contemporary nationalism is of a synthetic nature, and does not necessarily manifest itself in every individual case in the life of a developing state. But on the whole this nationalism is a specific political and ideological phenomenon that exerts a particularly significant effect on changes in IR in the developing world in general and especially in the region under consideration.

In contrast to the "old" nationalism of the period of the struggle for political independence, the new nationalism possesses its "own" nation-state that is rather entrenched in key economic sectors and often controls them through the public sector. This nationalism emerges in societies that have some modern developed industries that also produce goods for export, and financial institutions that often export capital not only to neighboring states but also to the developed capitalist countries of the West (e.g., Saudi Arabia's enormous investments in the U.S. and Western Europe).

This nationalism prospers among the members of a powerful bureau-

cratic mechanism of administration and among the growing "new" middle class. This elitist strata considers itself a "personified owner" of the vast public sector and has placed itself above society and its main classes. An integral part of this structure is a powerful upper-strata mechanism of suppression—police, intelligence, secret police, and internal paramilitary units. Finally, this mechanism includes the army, which is modernized and possesses the most advanced weapons imported from abroad or often produced in the country. The army, especially its officer corps, becomes a most important object of the country's modernization policy and, at the same time, a source and a "school" of qualified and technically expert personnel. Such an army augments its role within the country; not infrequently it assumes the function of administering the entire society and modernizing it.

The new nationalism includes the ideas and practice of strongly centralized power, often in its authoritarian or dictatorial forms, limitation and suppression of democratic institutions, pursuit, *inter alia*, of a policy of rigid "state unity" of multiethnic societies, and, as a result, oppression of national minorities, so that ethnic conflicts and religious clashes appear or become more active. A most important foreign policy aspect of this nationalism is often an ambitious regional power policy, which as a consequence asserts territorial claims resulting in armed conflicts with neighbors.

The countries where this new nationalism arises are a part of the world capitalist economy, though a weak, underdeveloped, peripheral, and hence exploited part. Imperialist and neocolonialist exploitation of these countries, primarily by transnational corporations (TNCs), is increasing. In many cases, when struggling against neocolonialism and trying to solve their national problems, such countries tend to rely on the economic, political, and sometimes military assistance of the world socialist community. Therefore, the new nationalism's anti-imperialist tendencies continue to operate, sometimes flaring up. On the other hand, in a number of cases, its antidemocratic, conservative, and antisocialist tendencies are still strong and continue to grow. The affluent upper stratum, the ruling bourgeois elite, are "fusing" with foreign capital (the TNCs), forming a basis for antinational, subimperialist trends. The rapprochement of the ruling affluent groups with the Western countries' aggressive, militarist policy generates, in certain cases, elements of a subimperialist policy (the Shah's Iran, today's Pakistan, etc.).

It follows that in South Asia, the Indian Ocean, and the Persian Gulf the new nationalism exerts a particularly strong influence on the whole structure of IR, and to some extent is "superimposed" on the bipolar influence of two world systems, which constitutes one of the most characteristic, specific features of regional IR.

It is clear that there is a significant increase in the changes in the IR structure in the Indian Ocean in the second half of the 1970s and early 1980s. This is related primarily to aggressive, militarist trends in U.S. foreign policy. The system of foreign policy blocs set up in the 1950s and 1960s was destroyed by inevitable objective political and economic transformations in many developing countries of the Indian Ocean and Persian Gulf region (for instance, the 1978 revolution in Iran), which substantially narrowed the sphere of predominantly Western influence. The attempts to counter these changes have resulted in the globally oriented theory of the "arc of instability" or the "arc of crises" of Brzezinski. The U.S. attempts to check by force, primarily through the Rapid Deployment Force (RDF), the continued development of these social processes that are unfavorable for the United States. These "local" processes are now viewed in U.S. strategy only through the prism of global military confrontation with world socialism.

This is the main content of the "Carter doctrine" and of the ideas and practices of the present Reagan administration, which are oriented, in particular, to the Indian Ocean and the Persian Gulf and evoke the worst times of the Cold War, including the doctrines of "intimidation," "massive retaliation," "roll back Communism," "brinkmanship," etc.

In pursuing this foreign policy, the U.S. attempts to draw the developing countries into an aggressive militarist policy and an unbridled arms race fraught with the danger of nuclear proliferation in the region; stakes are placed on the direct or indirect use of regional, national, and territorial disputes and conflicts among the developing nations, on fanning local conflicts (between Iran and Iraq, Pakistan and Afghanistan, Thailand and Kampuchea, etc.), on "controlling" and "managing" them in the interests of Western and local nationalistic forces, on breaking up and emasculating the nonaligned movement.

The Indian Ocean, the Persian Gulf, the Middle East as a whole, and Southwest Asia are proclaimed a "third strategic zone" (apart from Western Europe and East Asia) of military confrontation with the Soviet Union. An attempt is being made to transform the Indian Ocean into an arena of *direct military confrontation* with the world socialist community and the national liberation movement.

There can be no doubt that the international crises around Afghanistan and Kampuchea have also seriously aggravated the international situation in the region. China's actions against Vietnam have a similar effect, although not immediately in the region in question.

Given the rapidly and seriously changing IR in the region, the aggressive quarters exhibit a growing desire to resort to methods of interference by force; there is a serious danger of hasty and risky solutions that may be applied in "crisis situations" in arbitrarily proclaimed "vital

zones" removed by tens of thousands of kilometers from the territory of Western countries. This will constitute a violation of the generally accepted norms of international law and primarily of the sovereign rights of the region's developing countries.

U.S. military strategy, which is the most destabilizing factor in the region, manifests itself primarily in the introduction into the region of U.S. forward base strategic nuclear forces and their permanent deployment in appropriate areas as a factor of the global arms race, the substantial quantitative increase and qualitative improvement of different parameters of the direct U.S. military permanent presence, preparation of the infrastructure for stationing the RDF as an immediate threat to the coastal states in "crisis situations," and occasional appearance of the RDF in the region.

As far back as the early 1970s, long before the crisis over Afghanistan, which is spuriously claimed to be the "main cause" or "justification" of the U.S. militarist course (if one does not delve too deeply into the history of its military bases and the CENTO and SEATO security systems), the U.S. began to take serious steps to militarize the Indian Ocean. A vivid example of the demonstration of force for political reasons is the famous anti-Indian action of the U.S. Navy in the Bay of Bengal in 1971 during the military conflict between India and Pakistan and the struggle over the creation of Bangladesh.

By the mid-1970s there were clear tendencies of a more active military role by the U.S. in the Indian Ocean and the formation of a base infrastructure for the U.S. strategic objective; there were visits of strike groups of U.S. Navy vessels, including aircraft carriers, and military maneuvers became systematic.

The Soviet Union has demonstrated and is demonstrating restraint, and it has refrained from the establishment of military bases in the Indian Ocean. Our limited military presence there is much less significant than that of the U.S. and its allies. We do not strive for competition of any kind, although the military situation in the Indian Ocean is a direct military threat to our national territory. It is different for the U.S. As for the Soviet military presence in the Indian Ocean, it has remained unchanged for a number of years. The composition and the structure of the Soviet fleet there is radically different from those of the U.S. naval forces. The Soviet ships do not cruise in the Indian Ocean on a permanent basis, and they are not designed to conduct operations against the coast or to perform limited tasks of a defensive nature to counteract the American military presence.

As is known, 1977-78 saw Soviet-U.S. talks on the limitation and further reduction of military activities in the Indian Ocean. However,

when in February 1978 the talks showed signs of real progress, the U.S. government refused to continue them, obviously wishing to untie its hands in order to step up its military presence and activities in the Indian Ocean. A well-known U.S. concept was then put into practice, that of "linkage": the U.S. justified its refusal to continue the talks on the Indian Ocean by referring to the events in Ethiopia and Somalia. This had a destructive effect on the state of Soviet-U.S. relations and the structure of IR in the region. Later on, the U.S. invariably responded negatively to repeated Soviet proposals to resume the talks, and refused, *inter alia*, to implement the Soviet-U.S. understanding reached at the Vienna summit in 1979.

Following the U.S. unilateral refusal to conduct talks with the Soviet Union on the reduction of military activities in the Indian Ocean, the region became the scene of accelerated development, especially in the second half of 1978 and the first half of 1979, of the basic infrastructure of the U.S. and its allies, and of more prolonged visits of the U.S. aircraft carrier strike force that forms a strategic core of the forces in this region. The 1980s were marked by the trend toward the deployment of U.S. naval strike forces and commandoes in the region on a permanent basis and the intention to further escalate the U.S. military presence in the coming years.

Thus, in the mid-1970s, in accordance with the U.S. government's official decisions, Diego Garcia was turned into the largest U.S. strategic military base in the Indian Ocean. According to U.S. officials, tens of millions of dollars are to be allocated for the expansion of the base to make it capable of receiving nuclear aircraft carriers, large nuclear submarines, strategic B-52 bombers carrying nuclear weapons, and floating depots with tanks and ammunition for the RDF. The Western press has speculated about the possibility of equipping the RDF with nuclear weapons.

The U.S. is successful in extending the sphere of NATO's activities in the Indian Ocean region and in engaging its allies from various blocs—Great Britain, Australia, the Federal Republic of Germany, and others—in its policy. France's significant and growing naval forces are also permanently stationed in the Indian Ocean.

To intensify the activities of the Australia-New Zealand-U.S. (ANZUS) bloc, the U.S. is trying to augment the effectiveness of Australia and New Zealand's military effort and to use their bases and unite them in a single network with its own bases in the Indian Ocean and the Pacific; it is also trying to engage the ASEAN countries in a military union and step up their confrontation with Vietnam.

Gaining access to military bases in Oman, Kenya, and Somalia and the

possibility of using bases in Saudi Arabia, Egypt, and Israel in exchange for large-scale military assistance were very important elements of the U.S. militarist course in the early 1980s. A logical extension of that policy, which is provocative in respect to most countries of the region, was, *inter alia*, the creation of the U.S. Central Command (CENTCOM) in January 1983 (its zone of operations, i.e., the zone covered by the RDF, includes 19 Asian and East African countries, including those in the western Indian Ocean that are of key importance to U.S. military strategy in the region), the "Bright Star" maneuvers of the RDF, and the participation of U.S. and NATO troops in the "international" forces on Sinai under the Camp David deal, and in Lebanon as a result of the U.S.-backed Israeli aggression against the Palestinian and Lebanese peoples.

The Pentagon pays special attention to Australia in regard to the establishment of new bases and the use of old ones. The rapprochement between the U.S. and the racist regime of South Africa creates new possibilities for the use by U.S. forces from the Simonstown naval base. Egypt attracts the Pentagon's considerable interest as a potential area for setting up new bases. According to the Arab and the U.S. presses, U.S. military bases are now being constructed on Egyptian territory. The Pentagon makes great efforts to establish bases for its naval and air forces in such countries as Saudi Arabia, Pakistan, Sudan, Bangladesh, Sri Lanka, Djibuti, the Maldives, and the Comoros.

With the planned huge supplies of modern arms to Pakistan, the U.S. contributes to the "survival" of the antidemocratic military regime, disrupts the emerging trend toward stability on the subcontinent, and engages Pakistan in subimperialist actions in the region, which are alien to its national interests, as if trying to find a replacement for the pro-Western positions and actions of the Iranian Shah's regime.

Pakistan has become a principal supply base for the Afghan counter-revolution, which receives covert and overt, officially sanctioned aid from the U.S. and other countries amounting to millions of dollars. On the basis of their historical experience, Indian leaders regard the substantial U.S. supplies of modern arms to Pakistan primarily as an anti-Indian act and a threat to India's national sovereignty.

The press has carried the news about the transfer of CENTCOM headquarters to Pakistan and secret talks on the possible granting of military bases to the U.S. in exchange for huge supplies of modern offensive weapons, as well as possible deployment of U.S. medium-range missiles, cruise missiles, and electronic intelligence stations. And one cannot rule out the possibility that in violation of international law Pakistan was given aid in the development of its own "Islamic" nuclear weapon.

The presence in the region of an entire system of Western military bases is a serious threat to the independence and political and economic interests of the developing countries. This colonial legacy has been repeatedly condemned in the main documents of the U.N. and the nonaligned movement.

Given the present level of development of nuclear missile weapons, the presence of U.S. military bases and the U.S. militarization of the Indian Ocean make it possible to use the Indian Ocean in order to create a serious military threat to the southern border of the Soviet Union and those countries of the region that have treaty relations with the USSR. This, of course, forces the Soviet Union to respond with defensive measures of its own.

The processes of militarization have created an objective basis for the nonaligned countries' proposal, which was supported by the U.N., to turn the Indian Ocean into a zone of peace; implementation of this proposal may effectively contribute to the protection of their strategic—political and economic—interests. The proposal has generated a natural positive response on the part of the Soviet Union and other socialist countries and a negative response from the greatest Western countries, primarily the U.S., which block the convening of an international conference on the Indian Ocean in spite of the decisions of the U.N.

Of course, the countries of the region have different and often contradictory approaches to the causes of militarization in the region and to the practical steps that would be required to proclaim the Indian Ocean a zone of peace. There are countries that give only formal support to the idea and believe that their security will be better ensured through the continued development of military ties with the U.S. and the West. Others invite a "plague on both your houses" and accuse the two "superpowers" of militarization of the region, "rivalry," etc. There are also principled advocates of the peace zone idea who see the greatest danger in the aggressive and militarist moves of the United States. But the consistent support of the peace zone proposal by the nonaligned movement and the socialist countries is symptomatic. Our country is still prepared to continue its talks with the U.S. on limiting military activities in the Indian Ocean. As has been repeatedly stated at the highest level, the Soviet Union is ready to use every real opportunity to conduct talks in order to reach practical agreements.

The Soviet Union is actively working for the implementation of the proposal to make the Indian Ocean a zone of peace. In its opinion, the countries of the region, without waiting for the conference in Colombo, might state that they will refrain from any acts capable of complicating the situation in the region. These states could decide not to send large

naval units to the Indian Ocean, not to conduct military games or maneuvers there, and not to establish new bases. The Soviet Union is against the establishment in the Indian Ocean of spheres of interests or influence by any power. The Soviet Union has stated that it is ready to refrain from deploying nuclear weapons in the region and to refrain from using them against those countries that refuse to acquire such weapons and do not have them on their territory.

India's foreign policy is an important factor for positive changes in IR in South Asia, the Indian Ocean, and international life as a whole. Its emergence is directly related to the democratic traditions of the national liberation movement in India and the work of such outstanding political leaders as Mohandas Karamchand Gandhi and Jawaharlal Nehru. One may justifiably speak of the outstanding current role of this great Asian power.

The 7th Conference of Heads of States and Governments of Non-aligned Countries (New Delhi, March 1983) had a marked effect on IR. India, one of the cofounders of the movement, which is an important factor on the international scene, is now heading the movement. Taking advantage of its high prestige in the movement and the support of the majority of its members, India lent an anti-imperialist and antimilitarist nature to the conference and raised cardinal problems of international development, primarily the prevention of the danger of world thermonuclear war and the establishment of universal peace and security, and the close interrelation between disarmament and the continued economic, political, and social development of the developing countries. This was sharply and insultingly criticized by the Reagan administration, whose response was justly condemned in the U.S. and by many members of the movement, primarily its chairman, India.

The positive thrust of India's foreign policy is reflected in its basically anticolonial and anti-imperialist stand. This is the main cause of the coincident closeness of many foreign policy moves of India and the Soviet Union and of profound differences and divergence between the foreign policies of India and the U.S., although India and the Soviet Union have different approaches to some international problems.

Emphasizing her disappointment with many aspects of the Reagan administration's foreign policy, Indira Gandhi noted that the U.S. nurtures dictatorships in many parts of the world while displaying "indifference and hypocrisy" toward India—"the greatest democracy in the world." In the opinion of Indira Gandhi, there is no place for India in the global strategy of the U.S., and India's foreign policy is neither pro-Western nor pro-Soviet but pro-Indian.

On the other hand, it should be emphasized that the Reagan adminis-

tration has not given up its diplomatic effort to improve its relations with India, trying, of course, to do this at the expense of Soviet-Indian relations. U.S.-Indian economic ties, which are on a relatively high level, continue to develop, with the U.S. emphasizing the predominant role of private enterprise. What is important is that the volume of trade between the two countries has grown substantially, and in 1983 the U.S. outdistanced the Soviet Union in this respect. But simultaneously, it is pursuing the policy—which is, of course, carefully concealed—of destabilizing Prime Minister Gandhi's regime, encouraging separatist movements, etc.

For conceptual reasons, the U.S. did not agree to meet some major economic demands and proposals formulated by Indira Gandhi during her last visit, at the invitation of President Reagan, to the U.S., though according to the press, the talks on the sale of American arms to India still continue.

The anti-imperialist tendencies are reflected in India's resolute condemnation of the U.S.-backed Israeli expansionism against the Arab states and its support for the struggle of the Arab people of Palestine for their right to self-determination, including the creation of their own state. India also condemns South Africa's racism and its aggressive policy in respect to young African states.

India's foreign policy is characterized by a balanced approach to a number of acute conflict situations in the region. Thus, the Indian government's recognition in July 1980 of the government of the People's Republic of Kampuchea demonstrates its realistic assessment of objective socioeconomic transformations in Indochina and also promotes normalization in the region. India's position on the Afghanistan situation, based on a sober analysis of existing conditions, is also aimed at a peaceful political settlement of the problem. India supports the Geneva indirect talks between the foreign ministers of Afghanistan and Pakistan mediated by the personal representative of the U.N. Secretary General. India also persistently continues its mediation effort to put an end to the fratricidal war between Iran and Iraq.

India's condemnation of the U.S. aggressions in Grenada, Nicaragua, and Lebanon, and its work to restructure international relations on a democratic basis, to establish a new international economic order, to put an end to financial exploitation of the newly liberated countries by the developed Western nations, and to launch a South-South dialogue all play an important role in determining India's foreign policy, maintaining peace and stability in the region, and improving IR.

Soviet-Indian relations are an important factor of stability of the region's IR. The Soviet Union and India have a common stand on such important international issues of today as the establishment of peace,

removal of the war danger, checking the arms race, particularly the nuclear arms race, adherence to the principles of peaceful coexistence, and transformation of the Indian Ocean into a zone of peace, etc. The friendship and comprehensive cooperation of the two countries have passed the test of time and have become a significant factor of peace and stability in Asia and the entire world.

The development of Pakistani-Indian relations is characterized by the presence of profound contradictions with a marked impact on the changes in the region's IR. On the one hand, there are serious complications in Indian-Pakistani relations caused mainly by the supplies of U.S. weapons to Pakistan and the growing activity of political forces in Pakistan around the "Kashmir problem," the actual support for the separatist movement in Punjab, the border clashes, etc.

What is important is that U.S. military and political aid is used by Zia-ul-Huq to stabilize his repressive military dictatorship and suppress the opposition, a major portion of which is against the regime's current foreign policy and in favor of the development of friendly relations with India, the renunciation of the aggressive policy against Afghanistan, and the refusal to militarily cooperate with the U.S., which infringes on the country's national interests.

The Simla agreements of 1972 initiated a limited stabilization process on the subcontinent. The Summit meetings between Indira Gandhi and Zia-ul-Huq in 1982-83 set a beginning (1983) to the deliberations of the Indian-Pakistani Joint Commission, mutual visits by high level government officials from the two countries, and the early phase of negotiations over signing a non-war, peace and friendship treaty between India and Pakistan.

Indian-Chinese relations were further developed in spite of serious differences of opinion on a number of important bilateral border issues and international problems (Afghanistan, Kampuchea, and others). The parties strive to intensify their economic, scientific and technical, and cultural ties, although unresolved border issues seriously mar their relations.

India has somewhat improved its relations with a number of countries in the subregion, but the interference of external forces significantly complicates the process of normalization and the solution of certain substantive problems. Thus, the Indian press was rather critical of the results of the U.S. Secretary of State's visit to India in 1983, and of the "detour" of India "with unfriendly aims" (the formula used in the Indian press) by the U.S. defense minister in 1983. The May 1984 visit of Vice President Bush to Pakistan and India did not change this critical attitude to the main aspects of the American policy in the entire region, both on the global level and with respect to India in particular.

An important positive, though limited and indirect, influence on the IR in the region is exerted by the Soviet-Chinese consultations that are a manifestation of new policy trends after the 12th Communist Party Congress in China. However, the complexity and slowness of these contacts, determined by China's intention to advance unacceptable preconditions that affect the interests of third sovereign states—Vietnam, Kampuchea, Mongolia, and Afghanistan—is a serious limitation on the positive effect of this shift in Soviet-Chinese relations on the structure of IR in the region.

On the other hand, in spite of growing serious contradictions, attempts continue to ensure greater rapprochement of the U.S. and the People's Republic of China, especially in the economic sphere, including sales of nuclear power plant software and arms, which cannot but affect the IR in the region. China continues to pursue its aggressive policy against Vietnam and Kampuchea and to support the Afghani counterrevolution, which, of course, has a serious destabilizing effect on the region's IR.

The Iranian-Iraqi military conflict remains a serious factor that destabilizes the IR structure in the region. Not only does it have an extremely negative influence on the socioeconomic and political situation of the two developing countries, undermine their positions as influential members of the nonaligned movement that pursue a basically anti-imperialist policy, and deepen the divisions and contradictions in the Arab and the entire Moslem world, but it is also fraught with internationalization of the conflict and threatens to acquire a global dimension.

The conflict is used by countries outside the region to intensify the militarist psychosis, to bring in additional naval forces of the U.S., Great Britain, and other Western countries as a guarantee of the freedom of marine navigation, to step up the arms race in the region, and to justify the presence of the annexationist RDF. Such a course causes concern among many of the region's states including those having military links with the United States. Thus, for example, Saudi Arabia rejected the U.S. offer of direct military aid to protect oil traffic in the Persian Gulf, in an attempt to use its own potential and the assistance of allied Arab States. The region's countries are against the direct military interference of the U.S. since they believe that it may lead to a further aggravation of tension in the region.

Constructive moves by India, Cuba, Algeria, Egypt, and other non-aligned states, as well as some European leaders and the U.N. itself to achieve peaceful settlement of the crisis, have not yet produced significant positive results, although their efforts are an important factor contributing to the stabilization of IR in the region.

The Soviet Union and the U.S. could join their efforts to promote the

process of the establishment of peace and the strengthening of security in the region of South Asia and the Indian Ocean, and throughout the world. There are known Soviet proposals on the introduction of certain norms of conduct of nuclear states in the interests of peace.

There is an urgent task of creating an atmosphere of confidence in international relations. This requires a responsible and weighed policy by all states, a combination of large-scale measures of a political and international legal nature and measures of a military-technical nature. These are constantly advocated by the Soviet Union and other socialist countries and by significant and influential political forces in the U.S., Western Europe, and the developing world. In this respect, adoption of a treaty on the mutual non-use of military force and the maintenance of peaceful relations between the member states of the Warsaw Treaty and the NATO countries could significantly stabilize IR on the global level, and, in particular, in the region of the Indian Ocean and the Persian Gulf where the military confrontation between the two world systems has substantially increased.

The Soviet Union is ready to cooperate with all states in order to contribute to the strengthening of peace and security through practical deeds, to liquidate existing hotbeds of tension and conflicts in different parts of the world, and to prevent the appearance of new ones everywhere, including the region of South Asia and the Indian Ocean, which is adjacent to the Soviet Union's southern border and contains countries with whom the Soviet Union maintains allied relations and relations of friendship and cooperation, where there are the most important world trade routes, and where other countries situated in the region and elsewhere, including the U.S., have legitimate interests in ensuring peace and security.

CERTAIN TRENDS IN INDIA'S SOCIOECONOMIC AND SOCIO-POLITICAL DEVELOPMENT

Grigori G. Kotovsky

In the system of international relations, the role played by the South Asian region has increased in recent decades. This increase is associated with the geopolitical conditions of the Indian Ocean, the sharp increase in the level of military activity in the region, the emergence of conflicts in Southwest Asia, and the increased participation in world politics of the South Asian countries that have become, following their liberation, active subjects in the processes of world history. That description particularly applies to India, which is rapidly becoming a great Asian power. In that sense an analysis of the basic trends in its domestic development is particularly important in order to identify prospects for the dynamics of international relations at regional and higher levels.

The assumption of political power in India by the local affluent groups in 1947 created conditions conducive to a more rapid—in comparison to the previous century—development of capitalism and its penetration into all sectors of Indian society. For more than a third of a century, India experienced a restructuring of its colonial-cum-feudal economic system. This restructuring proceeded along the following main lines:

1. Industrialization, characterized by more rapid growth rates in technology-intensive basic industries.
2. Precapitalist types of ownership in agriculture were replaced by a capitalist sector. According to my estimate, by the mid-1970s semifeudal tenancy covered at most 5–7% of the entire occupied land. At the same time, capitalist farms and entrepreneur-type economics of a transitional to capitalist type produced more than 50% of the entire gross agricultural production (in terms of value).

Grigori G. Kotovsky is Professor and Head of the Department of Indian and South Asian Studies, Institute of Oriental Studies, Moscow.

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3. Restrictions on the role of usurious capital were evident. By the late 1970s the traditional forms of credit and marketing had used themselves up as factors ensuring the full production cycle of small industrial enterprises and large agricultural farms. At the same time, usurers and traditional merchants continued to dominate the bulk of the "unorganized" sector, which still depended on preindustrial production forces.

4. Policies encouraging national business and the gradual elimination of foreign capital from key positions were effective.

As a result of customs protectionism, full or partial nationalization of several enterprises, elimination of the system of managing agencies, and state support of national private undertakings, the foreign monopolies were demoted from the command and control positions in the country's economy that they had held at the end of the colonial period. This process forged ahead despite the growth in the absolute numbers of foreign private investments and despite the considerable growth in cooperation between big foreign capital, including transnational corporations, and the Indian corporate sector.

The principal tool in the structural change of India's economy and in ensuring economic growth and development was state capitalism. An important role was assigned to the public sector including undertakings in the production process, and to large-scale regulation of the private sector through an intricate economic and administrative mechanism. State capitalism determined the way in which certain kinds of planning were done for developing and implementing the state economic policy.

The public sector that was put together helped create and operate the industrial and agricultural infrastructure including fuel and energy facilities (public utilities), transportation and communications, major irrigation systems, etc.; basic heavy and defense industries; and different departments and agencies in the field of production credit and commerce, which for one thing stimulated private and largely (small) business in certain economic domains, and for another, helped in pursuing a particular social welfare policy designed to ensure minimal employment and consumption among the poor. Economically, the need for a public sector arose out of the failure of the private sector, represented in the late 1940s and early 1950s predominantly by major national and foreign capital, to rapidly restructure the colonial-cum-feudal economic system. In order to do that, it became necessary to curb somewhat the free market and free enterprise systems. That was the driving force of state regulation of the national economy, supported as it was by the public sector.

State economic regulation made it possible to assign priority to small

businesses or to public sector enterprises through restrictions and the containment of big and monopoly capital in some economic areas; to level out inter- and intra-industrial disproportions arising at different stages of economic growth and development; to assign priorities, as far as possible, in investment policies of private capital; and to practice protectionism vis-à-vis private business in stimulating their cooperation with foreign capital. As a result, the private capitalist *uklad*¹ began to function to a major degree within the framework of a system that also included the state capitalist socioeconomic structure. A diversified industrial complex and a fivefold increase in industrial output had, by the late 1970s, launched India into the orbit of the world's ten largest industrial producers. Having left behind its status as an agrarian nation, India had become an agro-industrialized country.

This created conditions for considerable growth in India's scientific and technological capability, which produced spectacular results in nuclear research, rocket engineering, and space research. A good start was provided for such science-intensive fields as nuclear power engineering, electronics, and air and space technology.

The widening gap between the major industries forging ahead and agriculture lagging behind precipitated the steps taken in the second half of the 1960s to intensify agricultural production. The so-called green revolution, which predominantly embraces the irrigated lands in North-western India, envisaged large-scale use of high-yield varieties of certain crops such as wheat and rice. The program was implemented with considerable financial and institutional assistance from the state and used sophisticated agrotechnological techniques. The past two decades have witnessed an initial process of reequipment in Indian land tilling, a process that so far covers most economically viable farms and only some areas. The intensive and extensive processes in agriculture have almost doubled India's agricultural output, with the result that the country is practically self-sufficient in food grains (given the present low level of per-capita consumption) and has created sizable buffer stocks through domestic production. The stabilization of the food situation, which was critical in the mid-1960s, is one of India's most important achievements.

By the mid- and late 1970s, the restructuring of the nonagricultural sector of the economy had to all intents and purposes been completed. In agriculture, enclaves of agrarian capitalism had been created that have become basically self-reliant. It is important that in the 20 years between 1960-61 and 1980-81, the share of capital investments used for the

1. *Uklad* is a system of production in which economic units have the same pattern of ownership—i.e., state, private, communal, or some other type of ownership.

import of machinery and equipment was reduced from 37% to 16%, and for the import of general purpose grain from 8% to 1.4%. It can be safely stated that by now India has achieved a level of economic self-reliance that one usually terms economic independence.

Despite the positive changes in social production, India's economic and social development is plagued by deep-rooted contradictions and difficulties determined by certain structural distinctions in the country's system of production relations. These distinctions can basically be classified into four major groups according to four major attributes:

1. A particular type of co-occurrence of several economic systems, in which social and economic structures (*uklads*) coexist and interact. In a contemporary industrialized nation, these structures represent successive forms in the development of the capitalist mode of production, ranging from the manufacturing stage all the way to the present state monopoly capital.
2. A vast relative sustained overpopulation, which as a result of economic and demographic factors continues to increase. The overpopulation, which has existed since colonial times, builds up mainly in the petty commodity and lower capitalist structures (*uklads*).
3. The combination of the capitalist accumulation process (in its present-day forms) with the process of primary accumulation of capital inherited from the colonial period, protracted over time and exaggerated in terms of its place in social production.
4. The decisive role of the state in economic development (in the forms of state regulation and the public sector functioning not only as a "locomotive" for the private capital business initiatives, but also as a most important "booster" for the integration of historically asynchronous economic structures (*uklads*) by means of commodity, capital, and labor markets.

This distinction, which permeates the socioeconomic structure of contemporary India, is most succinctly expressed in the dual nature of the country's economy. Although a considerable proportion of the GNP is generated by modern industries and transport as well as by the entrepreneur-type agricultural farms using hired labor and industrial forms of permanent capital (agricultural machinery, fertilizers, pesticides, seeds, etc.), the bulk of the population (at least 70%) is involved in the type of production that is based totally or predominantly on manual labor. These forms of production represent the forces of preindustrial production. This "traditional" sector is basically represented by the petty commodity economic structure (including the various eco-

nomic forms transitional from the natural-patriarchal and semifeudal economic structures) and by the different forms of capitalism of the manufacturing type. The type of production forces in the "traditional sector" explains the sustained high level of in-kind relations in the operation of the constituent economic units.

The dualism of India's economy is manifested among other things by the following situation. Given the fairly high absolute GNP (13th to 15th largest in the world in the early 1980s), India is near the bottom of the list in terms of per capita GNP. In the "traditional sector," labor productivity and the consumption level are extremely low: according to official statistics 48% of the country's population was below what is known as the poverty line. In other words, they did not have the minimum for sustenance. The great majority (83%) of this group inhabits rural areas and primarily includes the families of tiny and marginal landholders, and the owners and tenants of pauperized and semiproletarian economies as well as the families of landless agricultural laborers. These two groups account for about 54% of all rural households.

The uninterrupted replenishment of the "poverty reservoir" in the traditional sector and particularly in its agricultural segments has become India's most important and most acute socioeconomic problem at the current stage of development. The solution to that problem is complicated and multidimensional.

First, the use of the "redundant" population as a work force in modern industrial production is restricted both by the overall rate of industrial growth (4–4.5% in the 1970s) and by the emphasis in industrial development upon capital-intensive types of production. In their own turn these two factors are to a considerable degree determined by the restrictions of the "organized sector's" domestic market, catering, in the final analysis, to the top 30–40% of the population, and by the type and volume of foreign economic relations with the world's capitalist market, which in recent years has been rather depressed. Under these conditions the percentage of the work force engaged in agriculture in 1981 was only a little lower than in 1951: 66.7% and 68.3%, respectively.

Second, further structural reforms in agriculture that are imperative for any improvement in the material status of rural working people came up against insurmountable socio-political obstacles. The program to impose ceilings on private land ownership was in fact not implemented. Up until now, only about 5% of the land owned by larger landlords (owners of 8 hectares or more) has been alienated. The virtual failure of agrarian reform can be attributed to the tooth-and-nail resistance on the part of the land-owning village elite and the elite-manipulated lower echelons of the administration and the bourgeois politicians who control the indi-

vidual state administrations. The state legislation regulating landlord-tenant relations, the enforcement of minimum wages for agricultural laborers, etc., also suffered defeat. And purely economic factors play a certain role. The competition among barely landed and landless peasants for each land plot to be leased out forces them to accept the rack-renting conditions of lease. The available work force, far in excess of demand in the agricultural labor market, also forces agricultural workers into accepting wage levels that barely keep them alive. The unsatisfactory employment situation to a large extent explains the failure of the 1975 program to liberate from indebtedness the bonded laborers, who, according to various estimates, numbered up to four million.

Similar difficulties arise when attempts are made to eliminate the exploitation of small agricultural producers by usurers, traders, and speculators. By the early 1970s, most of the "nonorganized" credit in rural areas was no longer controlled by professional moneylenders (*sahukars*). Instead, control was assumed by the land-owning village nobility ("agriculturist moneylenders"). The market relations of medium-sized and small holdings, just as before, are mediated predominantly by traditional merchant capital, personified in the castes of professional traders and moneylenders and intimately related to the urban bourgeoisie, as well as by the rural elite decisively penetrating this aspect of commerce.

Third, the alleviation of the gigantic colonial overpopulation problem in rural areas is hampered by the ongoing demographic growth not indexed to employment opportunities. The population growth rate increased from 1.35% in 1941-51 to 2.05% per year in 1971-81. India's population in absolute figures increased from 361 million in 1951 to 685 million in 1981. Even according to optimistic predictions by Indian demographers, the country's population will be stabilized only by the middle of the next century at 1.2 billion, nearly twice the present population.

The poorest people crowded out of agricultural production replenish what is known as *bustis* (shantytowns) surrounding practically all of the country's major industrial centers. The growing migration into the cities aggravates not only underemployment but also full unemployment. Between 1970 and 1982, the number of officially registered unemployed increased from 5.1 to 18 million people, and their percentage of the overall number of persons employed by the organized sector grew from 29% to 79%. Incidentally, the ranks of the unemployed include not only factory workers but also intellectuals and office personnel: the number of unemployed university graduates is now almost half a million people. The growing unemployment rate for city dwellers depresses not

only the wage situation, but also other terms of employment for industrial workers and office personnel.

Therefore, the demographic and economic situation has turned out to be one of the most important factors hampering continued economic growth and development. In formal terms the situation is well described by the insignificant per capita growth of production.

On the one hand, the annual rate of economic growth has been 6.3% since Independence as against 0.65% for the last 30 years of colonial rule. The overall GNP has increased by a factor of 3.1, which helped reverse the trend toward decreased per capita national income, a trend typical of that particular stage of the colonial period in India's history.

On the other hand, since Independence per capita national income has grown (from a rock-bottom level in the 1940s) by a factor of only 1.5. Per capita consumption among the low income groups, which account for 50–60% of the entire population, has practically stagnated.

This situation has produced at least two important results. First, since the late 1960s and mid-1970s, with the virtual completion of the first major step in independent India's economic development—the restructuring of the colonial-cum-feudal economic system—the insufficient elbowroom for the domestic market has begun to increasingly hold back continued industrial development. The production capacities have been underutilized, the financial indicators characterizing the performance of industrial companies have deteriorated, and the growth rate of industrial production has slowed. In this context, foreign markets were of particular concern. The years of independence have witnessed a change in the structure of India's foreign trade. Its exports have come to include a larger share of industrial goods (chemicals and machinery increased from 2.2% to 15%), while the percentage of raw materials and traditional light industry exports decreased from 80% to 46%. However, in a deteriorating world trade situation, India's foreign economic expansion was only a limited success. The country's objective need to break through to the world market predetermined many of the important aspects of its foreign policy, particularly its active participation in the campaign for a new international economic order and for a serious North-South dialogue. India's quest for foreign markets other than those of western countries invariably spurs on the country's political and economic activity in the Third World and in the countries of the Socialist system. And India's demographic problem had a direct impact on the course of industrialization and an indirect impact on the dynamics of its foreign economic and political stance.

Second, this factor also manifested itself in the widening gap between the haves and have-nots, the unprecedented polarization of wealth and

poverty, which had to create a situation of mounting social tensions. One of the fundamental ways to solve this set of problems would be to restructure a multitude of subsistence economies and have them generate surplus product. This can be accomplished through alleviating the problem of rural overpopulation by boosting the rate of industrial development. This latter step in its turn would unquestionably result in a reorientation of the organized sector, which would begin to gravitate toward broader cross sections of the people as against the current orientation, which is almost exclusively toward the affluent few.

At the same time, the present demographic situation calls for a vigorous demographic policy ("family planning") designed to drastically reduce the rate of population growth. It has been universally recognized that this policy depends for its success on rapid improvements in the cultural and educational standards of the people. In the final analysis, it is a matter of higher living standards supported by changes in economic development.

It has been pointed out that these changes must ensue from major structural reforms. It will be noted further that India's need for "economic democracy" is made imperative by the extreme urgency of its economic and demographic problems, as well as by the general regularities in the development of world history. Since the current political system makes that almost impossible, an alternative could well involve a major program designed to solve, although only partially, the unemployment problem and to increase the consumption level for the poorest. This policy is being implemented along the following principal lines:

1. To put into effect different large-scale programs in order to create jobs, particularly in rural areas ("food for work"), etc.
2. To mount special purpose programs extending assistance to small and marginal farms (low interest credits, agrotechnological assistance, etc.).
3. To curb the various precapitalist forms of economic and social exploitation and discrimination, eliminating bonded labor, passing legislation banning caste discrimination, etc. The same program includes steps to give landless agricultural laborers plots for homesteads.
4. To distribute necessities of life (particularly food) at fixed prices among the poor through a network of government-controlled "fair price" retail shops.
5. To set aside for the lowest social groups (the untouchables, the scheduled tribes) quotas in legislative and executive governmental agencies and educational institutions and to extend to them assistance in social matters including their day-to-day living.

The tangible results of this social policy, which has been pursued for several decades now, have proved few and far between. This situation is attributable to a number of causes:

1. The scarcity of finances available from the state for social programs.
2. The persistence of causes of particular socioeconomic phenomena, for example, debt bondage.
3. The socio-political controversy over some of the programs and the vicious resistance to these programs by influential elements in the affluent classes, legislators, and the administrative mechanism.

And yet, the political impact of the social programs is considerable. In combination with populist slogans (the 20-point program, etc.), they serve as an important tool in the hands of the ruling classes to maintain social stability and to ensure support for the ruling party by the electorate.

These factors will pressure the government into channeling an increasing proportion of state resources toward these unproductive or almost unproductive objectives. In recent years the policy of social subsidies has assumed a wider scope as a result of the ongoing aggravation of the already-grave economic and demographic situation, as well as of the increasing role of the government's social policy, a kind of pressure valve to "let off" the social tensions.

The increase in the absolute numbers of people living below the poverty line, the unbridled unemployment, the widening gap between the haves and have-nots, etc., on top of the lingering remnants of prebourgeois social oppression (caste oppression, etc.), tend to increase social tensions. This can be seen not only in the growing number of class and social conflicts registered by the official statistics, but also in the sporadic explosions of massive violence and vandalism, the operation of terrorist groups, and the growing crime rate.

At the same time, the intensity and type of India's class struggle generated by the contradictions of capitalist development do not measure up to the overall level of social tension. This is associated with the following factors:

1. Despite the absolute domination of the socioeconomic structure by economies representing the makings of a capitalist system, these economic units are predominantly either of a petty commodity type or of a petty capitalist type, with some intermediate forms in between. In these economic units, class relations are frequently obscured by the paternalist patriarchal relations between the employers and the hired hands.
2. The classes of bourgeois society are still emerging and are generally

represented by different intra-class transitory social groups. For this reason class awareness particularly among the working people has not yet taken definite shape.

3. The formation of class psychology is complicated and hampered by the prebourgeois (traditional) social institutions, such as caste, religion, community, patronymy, etc. The impact of these institutions is amplified by the extremely low cultural standards and prevailing illiteracy.

The emergence of classes in a bourgeois society occurs in India today within the framework of religious, caste, village community, occupational, and professional ties and within the ramified ethnic structure the country inherited from the colonial and precolonial past. The process of class formation is at a stage where the overwhelming majority of rural and urban proletarians and semiproletarians objectively included in the class of hired hands, as a rule subjectively identify themselves only as belonging to a particular caste, religious community, the traditional section of a rural community, or, in some situations, to an ethnic and regional group. The affluent classes—bourgeois and bourgeois urban middle classes—have almost emerged as an integral political entity. However, some groups and strata of the exploiting classes in India have remained “classes unto themselves” instead of becoming “classes for themselves.” That predominantly applies to rural bourgeoisie.

Despite the development of capitalism, the social behavior of the working people as well as of the majority of Indians is determined in many ways by the impact of religion, caste, and more recently, ethno-national relations, on their consciousness. This situation is objectively promoted by the following factors. First, caste and religious affiliation is widely used by bourgeois politicians as an important tool for winning election votes, and this emphasizes the role of caste and religion in regulating the social behavior of the masses. Second, class stratification in Indian society to a major degree and particularly in rural areas coincides with caste stratification. The rural elite basically belong to the upper warrior-cum-agriculturist castes, while the landless laborers belong to the lowest caste of the untouchables (harijans). The class oppression of this latter group is aggravated by caste oppression. In the cities, most of the bourgeois class belongs to the trader and usurer castes and to the religious communities of Parsis and Catholic Christians, and the intellectuals belong to the highest Brahman castes, etc.

Caste prejudice hampers the emergence of mass organizations in rural areas that would be based on strictly class principles. Thus, most members of agricultural workers' unions belong to the harijan or other lowest castes, while members of peasants' unions belong to the higher

land-tilling castes. In recent years, despite the legislative ban on caste discrimination, there have been eruptions of violent killings of harijans by rich peasants and sometimes even by middle and poor peasants belonging to the rural elite castes.

When the classes of bourgeois society that have basically emerged as economic entities still exist within the framework of a lingering traditional social structure, class conflicts often take the shape of caste, religious, ethnic, or other clashes. The gap between the rich and the poor and class contradictions underlie the country's entire political life. However, they frequently come to the surface mediated by "traditional" social conflicts.

These social contradictions and conflicts can be classified into three basic types:

1. Conflicts expressing in effect socioeconomic and class contradictions, both bourgeois and prebourgeois.
2. Conflicts expressing traditional contradictions in the socio-cultural and ideological fields.
3. Conflicts expressing subjective ambitions of professional politicians taking advantage of traditional caste, religious, and ethno-regional group relations in their quest for political clout and power. The caste, religious, and ethnic conflicts often combine elements of the above types of contradictions, a factor that complicates the overall political process.

Religious communal and ethnic conflicts are also often associated with the demographic factor and the problem of employment in general—for example, competition for college enrollment openings not involving any political demands.

In addition to the long-term socio-political factors listed above, India's political situation is affected by short-term socio-political factors taking the form of pressure groups that lobby political parties and organizations. These factors include social and political action by students and jobless university graduates, the army, and the police.

In the context of the on-going vicious competition in the menial and intellectual labor markets, as well as in businesses, particularly small ones, the above distinctions of social organization in Indian society are widely used to their own advantage by reactionary communalist parties and organizations.

The development of capitalism in the country spurred the growth of local businesses, which created a basis for an explosion of bourgeois nationalism. For instance, bourgeois nationalism brought to power in the South Indian state of Andhra Pradesh the regional Telugu Desam Party,

whose class orientation is virtually the same as that of the Indian National Congress that was defeated in that state.

Capitalism as a socioeconomic system exists in India at a stage in its development that provides considerable room for a deep and wide expansion. This fundamental condition in combination with another factor—the current level of class formation in the country—is the reason that the cumulative effect of the above socioeconomic and sociopolitical factors has not resulted in a nationwide crisis of bourgeois power. At the same time, this condition had a decisive impact on the restructuring of the party and political structure that emerged in the early years of independence, a process that has become more intensive since the mid-1960s.

The sum total of these factors was conducive to political action that proceeded along the following lines:

1. Access to power on a state level by Communist-led left-oriented political coalitions.
2. Stratification of bourgeois and petty-bourgeois elements in politics. Among other things, this process had a direct impact on the situation in the communist movement and on the political changes in the states of West Bengal, Tripura, and Kerala, where control was assumed by left forces.
3. Accentuation in the political process of the particular interests of the rural bourgeoisie.
4. Crystallization of ethno-national and regional interests.
5. A certain polarization of the ideological orientation toward the modern and traditional values of bourgeois and petty-bourgeois political formations.

The Indian bourgeoisie has succeeded so far, and will continue to succeed in the near future, in striking a political balance between the sum total of class and social contradictions in the name of continued development of the bourgeois parliamentary system. However, in the more distant future, major changes in political power may be precipitated by new social tensions and a more vigorous class struggle.

FIVE YEARS OF THE PEOPLE'S REVOLUTIONARY POWER IN KAMPUCHEA

Results and Conclusions

Gennady I. Chufrin

In January 1984 the People's Republic of Kampuchea solemnly marked the fifth anniversary of its existence. During this short historical period, its government and people made substantial progress in restoring the country's economy and normalizing the political situation despite military actions of the counterrevolutionary emigration that continued along its borders, subversive activities of agents sent into the country, acts of sabotage and destabilization of the situation, and the fierce ideological war waged against the people's revolutionary regime in the international arena.

In all those years, the Heng Samrin government's economic policy focused on the restoration and development of agriculture, the main branch of Kampuchea's economy. The dimensions of the problems faced can be gleaned from the fact that while the population's minimum annual need for rice, the principal food crop, was estimated at one million tons in 1979, only 800,000 tons were produced that year, according to the most optimistic estimates.

However, thanks to energetic measures, Kampuchea produced 1.6 million tons of rice in 1980 and 1.9 million tons in 1982 (the figure was somewhat lower in 1981—1.5 million tons), and the government managed to stabilize the food situation in spite of significant difficulties caused by droughts in a number of regions and floods that destroyed a part of the crop in the Mekong River delta. According to preliminary estimates, 2.1 million tons of rice were produced in 1983, which made it possible to virtually solve the country's food problem and even allocate some rice for export.

The regime had to restore agriculture in spite of very serious shortages

Gennady I. Chufrin is Professor and Head of Department, Institute of Oriental Studies, Moscow.

or even a complete lack (in some areas) of seeds, draft animals, and machinery. Even today, sowing, harvesting, land cultivation, and other agricultural activities are often carried out by primitive techniques. In 1979–83, however, the number of cattle was substantially increased in the country—from 750,000 to 1.1 million head; farmers were much better supplied with agricultural tools, and high-yield varieties of rice such as IR-36 and IR-42 were introduced on an increasing scale.

Harvests of vegetables, fruit, soybeans, peanuts, sugar cane, natural rubber, cotton, jute, and other food and technical crops were also increasing. The number of pigs increased substantially—from 136,000 in 1979 to 824,000 in 1983. Catches of fish grow every year.

In a number of areas, including the production of rice, peanuts, and natural rubber, Kampuchea has exceeded the levels of the early 1970s. As for fish, which is second in importance to rice in the diet of Kampuchians, the 1982–83 catch reached the highest level in the country's history, amounting on the average to 67,000 tons a year.

The results attained in the development of agriculture, cattle breeding, and fishing give every reason to expect that the People's Republic of Kampuchea (PRK) will successfully implement the plans laid down in May 1981 by the 4th Congress of the People's Revolutionary Party. As is known, the Congress set forth the tasks of comprehensive development of agriculture, solution of the food problem, supplying industry with raw materials, and increasing earnings in foreign exchange from the export of agricultural produce. The territory under rice fields therefore should be extended from 1.5 million hectares to 2.3–2.5 million hectares in 1985, mainly through the cultivation of abandoned land. The introduction of modern farming techniques and the use of chemical fertilizers should help boost the productivity of fields, on the average, up to 25–26 metric centners (one centner = 100 kilograms) per hectare. Implementation of these plans in the current five-year period will enable Kampuchea to raise its annual yield of food crops to 2.5–2.8 million tons, including 2.3–2.5 million tons of unshelled rice, making it once again a leading exporter of rice in Southeast Asia. During the same period, the number of cattle and pigs are expected to grow substantially (up to 1.4–1.5 million head and 900,000 head, respectively). The plans provide for a substantial increase in the production of natural rubber and other technical crops, and of valuable wood species for export.

In spite of the shortage of raw materials, equipment, spare parts, and trained personnel, scores of industrial enterprises have been commissioned to supply the population with consumer goods and foodstuffs. For example, in 1983, Phnom Penh had 64 operational plants of the 69 plants that existed in the early 1970s. Production of construction mate-

rials, tools, bicycles, agricultural implements, and motor pumps has been organized; textile and metal working, chemical and pharmaceutical industries, automobile factories and repair plants have resumed their work. As a result, the volume of industrial output increased thirteen fold in the 1979-83 period.

The transportation network is being restored. Intense work is underway in the river port of Phnom Penh and the sea port of Kompong Som. Railways, automobile transport, and aviation are functional once again. The system of communication, which was completely destroyed, has been put in order. In recent years, 200 km of roads have been laid with asphalt and 230 km metalled, and scores of bridges have been restored or rebuilt.

One should not underestimate the economic achievements of the Heng Samrin regime and its plans for future development of the national economy. In fact, those achievements are not only economic but also political, since they are a clear testimony to the growing internal political stability in the country without which no process of economic, and especially of agricultural, development would have been possible.

The process of restoration and development involves not only the country's economy but also its system of social security and education, on a scale unheard of in Kampuchea. The priorities facing Heng Samrin's government include the creation of a system of education that would help educate responsible citizens and patriots. To this end, universal free secondary education was introduced as far back as December 1979, new textbooks were written, and new schools were opened. The scale of this activity is illustrated by the fact that the number of students in secondary schools increased almost twofold in the 1979-83 period, from 0.9 to 1.7 million, and the system now enrolls almost 100% of school age children.

Active measures were taken to ensure literacy among adults. To this end, literacy courses are functioning throughout Kampuchea and include over half a million persons. Moreover, there are about 10,000 "advanced cultural" courses. As a result, 650,000 persons have learned to read and write since 1979.

A virtually universal shortage of qualified personnel poses a very acute problem, since one of the most disastrous consequences of the rule of the Pol Pot clique in Kampuchea, which lasted for more than three years, was the massive elimination primarily of the more educated part of the population—managers, engineers and technicians, and experts on agriculture, health, and education. That is why the Heng Samrin government pays so much attention to the restoration and development of the system of vocational training and higher education. With the help of the Soviet Union, Vietnam, and other socialist countries, higher educational

establishments that train experts in medicine, education, and a number of technical disciplines have resumed their work. At present, over two thousand students study at the technological, pedagogical, and medical institutes and the institute of foreign languages. The number of students will increase in the current academic year; furthermore, new higher educational establishments will be opened, including the institute of agricultural economics.

Today's Kampuchea pays particular attention to the preservation of national cultural traditions and the development of modern cultural forms. This is true, for example, of the art of dancing, which has been traditionally popular in Kampuchea. The first dance and song troupe to appear in Kampuchea after liberation was organized in 1980, and the same year it presented 284 concerts attended by 46,000 spectators. Two years later, Phnom Penh had 33 dance groups that gave 550 concerts with an audience in excess of 800,000. January 1981 saw the opening of the School of Fine Arts, which trains professional performers of classical ballet and folk dance. In 1984, its five departments are training 480 students who resurrect and publicize modern and traditional arts among the population. The traditional folk theatre of shadow plays has been restored, and 1982 was the year when the first drama troupe resumed its work in Phnom Penh and the first national music festival took place.

Much attention is being paid to the development of cinematography, one of the more mass art forms. Several scores of permanent film theaters and mobile projectors function in the country. The national film industry is taking its first steps, and in the past three years the country's film groups shot 15 short documentaries.

Despite the devastation, the threat of hunger, and the shortage of many basic necessities, the government of Heng Samrin during the first months of its existence allocated funds for the protection and restoration of national architectural monuments. Four hundred monasteries have been restored, and the king's palace and the Silver Pagoda have been opened to the public. Modern literature and journalism have been given a new impetus. In a short period, Kampuchea's literature has seen the emergence of new poets, writers, and dramatists whose works reflect the country's new life. An association of Khmer journalists has been formed, and newspapers and magazines are published.

The indisputable positive trends in the economic, social, and intellectual life of the PRK have produced and are producing a beneficial effect on the political climate, promoting the prestige of the people's revolutionary regime, the continued extension of its social base, and the growth in the number of various public organizations that support the regime.

The general elections to the supreme state body, the National Assembly, conducted in May 1981, reflected the stabilization and consolidation of the socioeconomic and political situation in Kampuchea. At the first session of the National Assembly, its 117 deputies, elected for five years, adopted the Constitution of the People's Republic of Kampuchea, which reflected the transformations in the country and defined its course of independence, freedom, peace, prosperity, and socialism.

This policy is pursued by the People's Revolutionary Party of Kampuchea, which is supported by mass public organizations that are collective members of the United Front of National Construction and Defense of Kampuchea. The largest organizations are: the trade unions, with 62,000 blue collar and white collar workers; the Association of Revolutionary Youth of Kampuchea with 320,000 members; the Association of Kampuchean Women with 624,000 members; and the Association of Buddhists of Kampuchea with about 6,000 Buddhist monks.

Some 100,000 "brigades of labor solidarity," each numbering 15 families, have been formed in Kampuchea to conduct educational and organizational work among the peasants, who constitute the bulk of the population. This is an initial form of cooperation based on an ancient tradition of mutual help in the Khmer village. It should be stressed that apart from its purely economic functions, the brigades of labor solidarity are called upon to defend their villages, maintain social order, and implement party and government directives. In other words, these brigades are a production as well as a political organization of peasants.

The results of the first five years of the people's revolutionary regime in Kampuchea convincingly demonstrate that the enemies of Heng Samrin's regime have miscalculated in expecting a crisis. On the contrary, Heng Samrin's government has demonstrated by practical deeds its competence and profound commitment to the national interests of the Khmer people. It comes as no surprise, therefore, that it enjoys the ever-growing support of the masses, who see it as a truly patriotic political force that alone can ensure a national rebirth for the Khmer people.

The Heng Samrin government is also strengthening its international prestige, as demonstrated, for example, by the outcome of the debate on representation of Kampuchea at the 7th Conference of Heads of States and Governments of Non-aligned Countries held in New Delhi in March 1983. The proposal to admit to the conference a representative of Sihanouk's "coalition government" or to invite the latter, ostensibly as a founding father of the nonaligned movement, was opposed not only by those countries that were on the left wing of the movement headed by Cuba and Vietnam, but also by many countries that took a centrist stand

in the movement. As a result, while 52 nonaligned countries at the 37th U.N. General Assembly voted for the recognition of Sihanouk's "coalition government" as a plenipotentiary representative of Kampuchea, the attempts to ensure, on different pretexts, Sihanouk's presence in New Delhi were supported by only 31 countries.

The critics of this decision alleged that it was taken under pressure from India. At the very least, such allegations demonstrate ignorance of the nature of the nonaligned movement and the mechanism of its functioning. The political realism of India, which proposed leaving Kampuchea's place at the conference vacant—i.e., to confirm the decision on this matter taken at the preceding 6th Conference of Heads of States and Governments of Non-aligned Countries in August 1979 in Havana—was certainly appreciated by the participants of the New Delhi conference. On the other hand, it would be naive to ascribe the New Delhi decision solely to India's position. It would be appropriate to recall that when representatives of the nonaligned movement gathered at the conference on the new international information order in Jakarta in January 1984, it was Indonesia that prevented the revision of the decisions on the representation of Kampuchea adopted in Havana and New Delhi.

The process of direct recognition of Heng Samrin's regime as the only legitimate and plenipotentiary government of Kampuchea still continues. At the beginning of October 1983, it was recognized by Albania, and negotiations on the establishment of official diplomatic relations are being conducted with a number of African countries.

The Heng Samrin government's active work on the international scene has resulted in positive changes in Kampuchea's relations with some capitalist states. It has become possible to proceed gradually with the establishment of trade relations with them—primarily with Japan, France, and Belgium—and this may create preconditions for improvements in their political relations.

In spite of the progress made by the Heng Samrin government in economic and social life and in domestic and international spheres, the people's revolutionary power in Kampuchea still faces many, and extremely complex, problems. Ideological, political, economic, and military acts against Kampuchea, inspired by imperialism and hegemonism, continue. The antigovernment forces based in Thailand systematically conduct armed raids and acts of terrorism on the territory of Kampuchea, especially in Battambang and Siem Reap provinces. Curfew restrictions are still in force in the country. The pace of economic development is reduced by the shortage of raw materials, equipment, qualified personnel, and errors in planning. This cannot, however, overshadow the steadily growing prestige of the Heng Samrin government both at home and

abroad since its activities are aimed at the revival of Kampuchea. Accordingly, any attempt to find a political solution to the current conflict situation in Southeast Asia without the Heng Samrin government will become more unrealistic and self-defeating with each passing year.

The leaders of the People's Republic of Kampuchea, as was emphasized at the February 1983 Vientiane meeting of heads of three Indochina countries, are determined to pursue a foreign policy aimed at the establishment of peace and security throughout the world and in the Southeast Asian region, at the development and strengthening of friendship with fraternal socialist countries and other friendly states, at the stabilization of relations with ASEAN countries, and at the recognition of the People's Republic of Kampuchea by the international community.

The basic problems of Southeast Asia, including the problem of preserving peace and security there, are to be settled first of all and mainly by the local peoples and their respective governments. However, the process of political normalization in Southeast Asia can be slowed down or speeded up under the influence of various external factors. Without doubt, great potentialities for influencing this process, in either constructive or destructive ways, rest with the United States and the Soviet Union.

Regrettably, the present U.S. foreign policy in Southeast Asia does not contribute to a speedy normalization of local disputes and contradictions. On the contrary, this policy is characterized by the use of instability in the region for the purpose of involving the ASEAN states in a still deeper confrontation with the Indochina states as well as for the purpose of increasing a direct U.S. military presence in the region. As of late, Washington has also put forward or supported various schemes for the neutralization of Kampuchea with a view to prevent the strengthening of political ties among the Indochina states as well as to legalize pro-Western political forces in Kampuchea. The utilization by Washington of these foreign policy methods either in their pure form or in different combinations is aimed at assisting the U.S. in achieving its strategic goals in Southeast Asia—that is, to keep the ASEAN states as still another zone of U.S. vital interests, as an economic and military-political reserve of capitalism in Southeast Asia, and for that purpose to create a “cordon sanitaire” against the further spreading of communist ideology and influence in this region.

On the other hand, Soviet foreign policy in Southeast Asia is aimed at lessening the tension in this area and promoting the creation of a zone of peace, cooperation, and friendship there. The Soviet point of view is that all those who want a positive solution to the existing international prob-

lems in Southeast Asia have to act on the basis of an obvious fact—that there exists in this region two independent groups of states with their own socio-political peculiarities and differences. Such is a political reality that one cannot ignore.

Rendering of maximum moral, political, and material support to the peoples of Indochina, who won their right for freedom and independence and who fight to preserve this right against all forms of aggression and outside interference, presents an important and integral part of Soviet foreign policy in Southeast Asia. At the same time the Soviet Union undertakes consistent steps in favor of preserving friendly relations and cooperation with the ASEAN states. The USSR responds positively to peaceful initiatives put forward by Southeast Asian states, as, for instance, in the case of the proposal made by the ASEAN states to create a zone of peace in the region.

In other words, the Soviet Union has always acted and firmly intends to continue to act as a factor of peace and stability in Southeast Asia, and is prepared to do everything possible to help stabilize the situation in the region and create there an atmosphere of mutual trust and cooperation in settling all arising disputes and conflicts. It welcomes any initiative aimed at achieving these goals.

RELATIONS BETWEEN THE U.S. AND CHINA IN THE 1980s

_____ Vladimir Lukin

Since the beginning of the 1980s and even earlier, relations between the United States and the People's Republic of China (PRC) have not been very stable. The period after the Reagan administration came to power and up to the spring of 1983 witnessed increasing frictions and differences in the relations between the two countries. The problem of Taiwan has, as in the previous phases of deteriorating U.S.-China relations, again become the main point of discord. Many influential officials of the present U.S. administration, including the President himself, are known to be more or less explicitly pro-Taiwan. According to their rigid ideological stance, the world is divided into "us" and "them," into "red baddies" and "star-spangled goodies." These are the ideological boundaries, serving, as they see it, to define political and strategic frontiers. Such an approach to global realities makes the Kuomintang regime one of "us" and therefore to be protected and defended in the military sense. This approach, translated into more practical political terms, was reflected in the opposition to the Carter administration's policies, on the one hand, and support of the 1979 Taiwan Relations Act, on the other. Whereas the Carter administration's actions were censured as detrimental to the interests of the United States as "Taiwan's friend and ally," the Relations Act—containing, among other things, provisions for maintaining Taiwan's military capability at the level required for its self-sufficiency in isolation from the rest of China—was extolled in every way possible as the basis of mutual relations with Taiwan. Hence the Reagan administration's *de facto* policy principle of "one China, one Taiwan" clearly represented only a slightly camouflaged version of the old concept of "two Chinas" that had been flatly rejected by the people of China.

In stubborn pursuit of this policy, the current U.S. administration has taken several steps to strengthen the Taiwan regime militarily, thus,

Vladimir Lukin is Professor and Section Chief, Institute of U.S. and Canadian Studies, Moscow.

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naturally, triggering a very sharp response on the part of the Chinese leadership. Prolonged and complicated negotiations resulted in the signing of a joint U.S.-Chinese communiqué on August 17, 1982. It contained a confirmation of the U.S. stance regarding the government of the PRC as the sole legitimate representative of China, along with a pledge not to increase U.S. assistance to the Taiwan regime over the level of the early 1980s, and a promise to gradually decrease the level of military aid to Taiwan "as the situation in the area is improved." In doing this, the U.S. stated that its position was based on the belief that the PRC would not seek reunification by nonpeaceful means, interpreting the communiqué as if it had received the appropriate pledge from the Chinese side. The Chinese leadership energetically disputed such an interpretation and confirmed the position that the problem of Taiwan and the modalities of its solution were the internal affair of China.

The problem of Taiwan in general, and its treatment by the Reagan administration in particular, continues to be a source of tension in U.S.-Chinese relations. For instance, during the visit by China's Foreign Minister Wu Xueqian to the U.S. in October 1983, he stated that "the U.S. keeps insisting on selling large quantities of arms to Taiwan. This is not only an infringement of our sovereignty and interference in our internal affairs, but it also virtually encourages the Taiwanese authorities to refuse taking part in the common efforts towards a peaceful unification of the Homeland through negotiations. Naturally, we are resolutely against this."

Economic cooperation has recently become another source of serious friction and disagreement. On the one hand, the United States under the current administration continued its position that a strong and prosperous China is in U.S. interests, thus necessitating all kinds of assistance to the "four modernizations" program proclaimed by the Chinese leaders. On the other hand, the U.S. was seeking to make the pattern and scale of cooperation in the fields of economics and science and technology completely subordinate to its strategic designs and domestic policy interests. This situation accounts for continual fluctuations and maneuvering with respect to what should or should not be given to China and what economic or political price China would have to pay in return for certain U.S. "favors." Moreover, the rather unstable political situation at the apex of the U.S. political pyramid entails a continual change of position on these issues, with the statements of some leaders quite different from those of others. All this, in the eyes of the Chinese, make the prospects for long-term development of economic relations uncertain, and the agreements already concluded unstable and subject to the most conflicting interpretations.

The textile problem may be cited as an example. For the PRC, the export of textile products, given the conditions of substantially increased Chinese demand for oil, constitutes a major source of export earnings in the near future and is consequently also a way to increase the import of modern technology. But the U.S. in late 1982, following China's refusal to meet Washington's demands with respect to a strict unilateral limitation of Chinese exports to the U.S. market, suspended the talks, imposing unilateral sanctions against the PRC. As noted by many experts, all strategic and other "global" designs at that stage could not withstand the pressure brought to bear by the textile lobby of the southern states and their representatives in the U.S. Congress (including well-known and powerful senators like Helms of North Carolina and Thurmond of South Carolina).

The PRC, however, proved that it had its own leverage. Its response was to sharply decrease purchases of agricultural produce from the U.S., which led to a change from the favorable balance of trade between the U.S. and China of \$662.7 million in the first half of 1982 to an unfavorable balance of trade of \$33.1 million in the first half of 1983.

This situation particularly affected U.S. agrobusiness, which was estimated to have lost some \$550 million. It was aggravated by a total discontinuance in early 1983 of Chinese contracts to buy wheat from the U.S., thus contributing to an intensification of the struggle between the textile and agricultural lobbies in the United States. The latter lobby is known to have quite effective leverage in Washington (with influential Republican Senator Dole of Kansas one of its most active leaders). The farm vote is considered a very important element in the Republican election campaign. The agricultural lobby apparently won out over the textile lobby, thus resulting in the compromise agreement on Chinese textile exports to the U.S. (increased exports of Chinese textiles depending on bigger Chinese purchases of U.S. agricultural produce, primarily grain).

The underlying circumstances of this agreement are important because they reveal some of the mechanisms governing the development of U.S.-China business relations that are often camouflaged by fine-sounding statements about "promoting the trade," "charity," etc. Agreements based on such unstable domestic political ground can hardly be reliable or effective.

Cultural contacts between the two nations have also become a source of serious friction and disagreement in the early 1980s. Several measures taken by the Chinese leadership to protect the youth from the infiltration of what is being regarded in China as negative aspects of the American way of life caused some dissatisfaction in the United States among those

seeking a gradual "Americanization of China" and more Chinese exposure to the "system of Western values."

In a wider context mention can be made of the impact that Chinese policy toward the U.S., formulated at the 12th Congress of the Communist Party of China in September 1982, had on the recent evolution of U.S.-Chinese relations. A report to this congress characterized U.S.-Chinese relations as "beneficial not only for the peoples of the two nations but also for world peace." Moreover, the 12th Party Congress stressed the "independence and self-sufficiency" of China's foreign policy, repeating, after a certain interval, an appeal for a "struggle against the superpowers." Many commentators took this as a desire on the part of the Chinese to disassociate themselves from the major capitalist powers, to show that they are "equidistant" from both the USSR and the United States. The Chinese have decided that it was not less but even more profitable to stress China's independence, rather than its closeness, with respect to the United States. In any event, as Chinese commentator Mu Guangren put it, "some Americans have been waking up to the realization that any attempt to involve China in the system of U.S. alliances is an illusion."¹

Starting in the middle of 1983, the pendulum of U.S.-Chinese relations again swung towards increased activity. According to most observers, this was directly and immediately related to the forthcoming U.S. presidential elections and was accompanied by a series of high-level visits. The official visit to China of the U.S. Secretary of Defense Caspar Weinberger from September 25-29, 1983, was followed by Chinese Foreign Minister Wu Xueqian's trip to the U.S. from October 11 to 14. The culmination was the visit by Premier Zhao Ziyang to the U.S. in January 1984 and President Reagan's visit to China in April 1984.

This is not the first case of the U.S. attempting to make its policy "in the Chinese direction" more active on the eve of presidential elections, demonstrating before the electorate its stable relations with the biggest nation in East Asia. The Reagan administration has recently taken certain steps with a view to restoring mutual understanding on the "community of strategic interests." To all appearances it intends to make progress along these lines by proposing assistance to the PRC for the development of its military-economic and military-technological capabilities, making it possible for China to buy technology that could be used for military purposes, and even weapons. That is seen by Washington as a major means of consolidating anti-Soviet elements in China's foreign policy. Though less concerned now than several months ago about anti-

1. *Liaowang*, No. 2, 1984.

American aspects of Chinese propaganda, Washington nevertheless would like, on the eve of elections, to hear less criticism of the United States as a "hegemonist superpower" and to forestall future U.S.-Chinese differences with respect to the developing countries and other issues. In accordance with these intentions, a formal expression of readiness to sell technology that could be used for military purposes and "defensive" weapons was made during the Weinberger visit to China. The parties agreed to resume the exchange of military representatives, in particular experts in logistics and medical services. In the course of Wu Xueqian's visit to the U.S. there were, in addition to an agreement to resume cultural exchanges in 1984, several meetings with key figures in foreign and military policy, including an unscheduled meeting with CIA Director William Casey.

During Zhao Ziyang's visit to the U.S., agreements on industrial-technological and scientific-technical cooperation were signed between the two countries. According to President Reagan, these agreements should stimulate private U.S. investments in the Chinese economy. Talks on cooperation in the field of nuclear energy were continued but not concluded. U.S. Secretary of State George Shultz said when he met the Chinese premier that "a strategic dialogue had been resumed and was continuing."

U.S. preelection political activity vis-à-vis China was climaxed by the U.S. president's visit to China in April 1984. While no assessment of its results can be given in this article, written as it was on the eve of the visit, the experience of evolution of U.S.-Chinese relations in previous years permits some conclusions and predictions to be made.

Starting from the Nixon presidency, relations between the United States and the People's Republic of China have followed a pendulumlike pattern, the climax occurring in the month preceding the U.S. presidential elections to be succeeded by a swing in the opposite direction. This is not surprising since the incentives for rapprochement on both sides are primarily subjective and based on the assessments by certain officials in both nations as to particular features of the international situation and the respective objectives in foreign policy. Any change of officials and in the situation entails a consequent change in assessments. Such changes are often quite substantial.

At the same time, the contradictions between the two nations are more fundamental, being related to radical differences in their socio-political systems. This factor makes itself felt irrespective of subjective intentions and aspirations. Such contradictions may be made to recede into the background for short intervals by specific actions and decisions. This usually happens in the periods of "particular U.S. concern" (those pre-

ceding presidential elections). But more fundamental realities keep coming to the surface.

In assessing the current phase in U.S.-Chinese relations, it seems essential to take note of another circumstance. Relations between such countries as the U.S. and the PRC, each exerting a substantial influence upon the evolution of the international situation, have been quite complicated from the start. In particular, the contacts between them are characterized by the combination of certain purely bilateral elements, some of which affect the interests of many other nations. Presently, with international relations becoming increasingly multilateral and intensive, the importance of these elements has grown substantially.

Various stages in the relations between the U.S. and China saw each party take different approaches to correlating the bilateral links with the wider aspects of international relations. In the initial stages in the normalization of U.S.-Chinese relations, the U.S. tended toward combining better U.S.-Chinese relations with improved U.S.-Soviet relations. At that period there was wide publicity in the U.S. concerning the so-called law of triangle diplomacy, according to which the optimal position in the "triangle" is taken by the party maintaining with both its counterparts somewhat better relations than the two counterparts maintain between themselves.

The present situation is quite different. The Reagan administration is doing its best to subordinate the purely bilateral aspects of U.S.-Chinese relations to its global militarist and anti-Soviet stance. In so doing, it is actively seeking to impose this pattern on the Chinese side, which, according to official statements by China's leaders, is interested primarily not in "strategic" but in bilateral cooperation since this is seen as mutually beneficial. Hence, improved U.S.-Chinese relations have, in fact, become only an auxiliary function of increasing tension in Soviet-U.S. relations. Such actions and plans mean, first, that present U.S.-Chinese relations are in no way conducive to improving what has already become a very tense and dangerous situation and; second, that no positive effect in terms of stable and sound relations between the United States and the People's Republic of China can be generated in the long run.

MODERNIZATION IN CHINA AND FOREIGN POLICY

Gregorii D. Suharchuk

The 12th Congress of the Communist Party of China reconfirmed and approved a course toward the "all-round modernization" of the people's economy, "the fourfold increase of GNP," and achieving by the year 2000 "satisfactory well-being" of the people. The Congress emphasized the "self-reliance and independence" of Chinese foreign policy and pointed out that it should be made to serve the "modernization" of the national economy.

This directive, in fact, confirmed what had been taking place during the past several years, particularly after the Third Plenum of the 11th Central Committee of the Communist Party of China in December 1978. As is known, the Third Plenum adopted a number of far-reaching political programs, or "courses" as they are called in the Chinese press. In a nutshell, they called for the strict and full elimination of any manifestations of "leftism," and they particularly referred to the economic sphere—i.e., economic construction and economic policy. This was the negative side of the program. The positive element was complete restoration of economic methods and corresponding management incentives that had been rejected in 1958.

Extensive discussions held in the late 1970s and early 1980s under the slogans "emancipation of consciousness" and "practice is the criterion of truth" were a consequence and a means of abandoning the "leftist course" that had been characteristic of Chinese politics during the last years, and even decades, of Mao Zedong's leadership. The latter slogan also rejected the fundamental principle of the previous epoch that "this and that is the truth," which in all likelihood meant that everything done or pronounced by the late leader Mao Zedong was the ultimate truth. The slogan "emancipation of consciousness" heralded an affirmation of the view that it was useful for China to import "bourgeois" technology

Gregorii D. Suharchuk is Professor and Section Chief, Institute of Oriental Studies, Moscow.

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and to plant in socialist soil certain methods and forms of economic organization and production management from Japan and the West.

This was also the period of a well-known slogan, never mentioned today, that "it does not matter whether the cat is grey or black, it is important that it should hunt mice." Many observers, including those abroad, were inclined to interpret this slogan as an expressed desire by the Chinese leaders (in particular Deng Xiaoping, who is believed to be the author of the above metaphor) to make impressive economic progress in a short time by resorting to any means, including the wide introduction of capitalist economic methods.

I would like to point out that the new economic course comes into conflict with the traditional approach to what should and should not be imported from the West: it is reasonable to borrow Western science and technology but never to copy Western ethics and morals—their "pig-like way of life" (Chiang Kai-shek, *China's Destiny*). To various degrees, this approach was commonly shared by Sun Yat-sen, Chiang Kai-shek, and Mao Zedong. As already mentioned, the new course envisaged borrowing certain organization models and management methods. Still, it was impossible to implement them independently from the general socio-political, moral, and ethical context of their application and of the social system of their origin.

As evaluated by some observers, the new course substantially determined the atmosphere in which social life and even the political regime would be liberalized in the late 1970s and early 1980s. In regard to political liberalization, we should actually refer to it as quasi-liberalization (Everyone may recall visible signs of "liberalization" such as "democracy wall" in Beijing). However, a small group of foreign observers noted that sometimes inscriptions on the wall contained information intended to test a certain view publicized anonymously from the top or to discredit or rehabilitate certain figures and/or arrangements, etc. In other words, "democracy wall" was not at all an uncontrolled phenomenon even during the heyday of the liberal trends in the late 1970s, as news reports from Beijing presented it at the time.

Whatever the case may be, we must take note of the extensive influence of Western ideas on Chinese society and primarily on Chinese youth beginning at the moment the "gang of four" was eliminated. We also have to note that the tremendous disillusionment that built up in Chinese society since the period of the "great leap forward" and the "cultural revolution"—i.e., during the last 20 years of Mao Zedong's leadership—has provided favorable conditions for the fast proliferation of this influence.

Viewed from the standpoint of ideology, this situation indicated that

certain concepts of political economy that became predominant in a given period have in all likelihood had the same effect. In the first instance, this situation is related to the Marxist concept that production relations should conform to the nature and level of the development of production forces. As is known, the law of conformity presupposes the socioeconomic and production-management structures that ensure the best implementation of the requirements of the above underlying law. According to contemporary Chinese publications, in modern China it is permissible and even necessary to have a multi-system economy, and in line with that law, a wide field for the application of money-commodity relations and the law of value is opened up. Chinese economic theorists write that, in fact, from the standpoint of political economy, labor in vast sectors of the Chinese economy has more a private than a social nature, and that economic activity is based on manual labor and is still very far from a state characteristic of social labor during an industrial epoch or that of an industrialized nation. Correspondingly, the economic units are of the closed-circuit, natural-economy class or at least semi-closed-circuit type; any regular division of labor is nonexistent. The theorists say this about Chinese agriculture, in which 75% of the gainfully employed population is engaged (300 million of slightly over 400 million employed). Until recently, only 15% of agricultural products were produced for marketing (1979–80). A similar situation was observed in some other sectors, like the privately and cooperatively owned 994,000 industrial shops that have been registered up to 1984.

All this points to the need to allow for industries of various types—i.e., the inevitable multi-system economy, which means the coexistence of large-scale socialist industrial production, a socialist cooperative economy, and small privately owned or cooperative manual or semi-manual production—all permitted by government development of various forms of state capitalism, such as capitalist enterprises controlled by socialist state power.

Recent Chinese statistics show that China's economy has successfully emerged from the 1958–76 crisis period. Its rate of development is steadily increasing, and the inter-industry balance is becoming more reasonable and total development more balanced.

It is not without reason that the statements of Chinese leaders and the press directly associate Chinese economic progress with the economic reforms designed to bring production relations into conformity with the level and the state of available production forces. A similar evaluation may be found in the works by Xue Muqiao—a leading economic theorist—and by other authors.

A system of rural economic responsibility is an important element of

the reformed economy. The system is based on the principle of a household or a family renting land or other means of production. An individual peasant household or farm takes full responsibility for its economic activity on a certain plot or in a certain type of agriculture (poultry, transportation, etc.). The farm remits part of its income product as payment for the right to carry out such economic activity to the production brigade with which it has signed a 15–20 year contract. All analysts of the Chinese economy are unanimous in their recognition that this form of agricultural production, which stimulates and encourages business initiative and directly determines the material well-being of a peasant and his family, has resulted in an unprecedented stable and unusually fast growth of agricultural production and a corresponding increase in marketable agricultural produce.

The theme of improvement, strengthening, and stable growth of the Chinese economy is also exemplified in industrial production because of the positive results produced by industrial reform. Although the success of Chinese industries is well known, one element should be emphasized. The progress in industry was achieved largely because of the energetic introduction of the so-called economic management method after the Third Plenum. The key part of this method is the set of material stimulation and encouragement measures as well as careful registration and application of value indices.

However, it was material incentives and "particularistic interests" in developing production activity that had been severely condemned during the "cultural revolution" as revisionism and a rightist bourgeois trend. The propaganda and documents of that recent time continually reiterated that such methods could only make the revolutionary ideals fall into oblivion and restore a capitalist system in China.

The contradiction between this ideological principle and the reality of considerable economic progress and the unquestionable although moderate improvement of the living standards of the masses could not but raise doubts about the "socialist values" that had been so ardently cultivated for at least 20 years after 1957. Naturally, these doubts become stronger as the Western way of life finds its way into China, which is more open to it today than before. So against the background of "emancipation of consciousness" together with scientific and technological ideas, a set of Western socio-political views finds its way to China. The negative impact (from the standpoint of official ideology) on public views was also produced by the economic reforms and the introduction of private elements and state capitalism into the country's economy. The success of the "open society" policy, the development of special economic zones, sending more Chinese trainees and students abroad, and increasing the

inflow of tourists and information from outside continue to increase the ideological consequences.

This situation raises new problems for modern China and its leadership. One of the most serious problems in the ideological sense is the need to assess the dual essence of the current ideological changes and the elaborate appropriate response to them that would permit China to resist in the broad sense the undesirable foreign and quasi-foreign influence.

Working out such a response strongly encouraged general theoretical research in China. An important impetus to it was the first full scientific translation into Chinese of the works of Marx, Engels, and Lenin. The major works by founders of Marxism have indeed been known in China for a long time. However, their publication in Chinese in complete form was done for the first time. Quite obviously, they quickly gained the attention of the Chinese public. Journals on philosophy, politics, economics, and history, and the central and provincial papers have recently published literally thousands of articles. This reflects the process of reconsidering the established stereotypes and clichés in interpretations of Marxism indoctrinated under the influence of the present authorities. As of late, China has been witnessing the multifarious process of reconciling the general theory provisions derived from the works of the founders of Marxism-Leninism with present Chinese realities and consequently the adjustment of the so-named Chinese peculiarities (*guoqin*) in light of the above provisions.

The unity of objective laws and their particular application in China are actively ascertained on the basis of that approach. In other words, this is a renewal of the process that Lenin referred to as the translation of Marxism into the languages of Oriental peoples. It is important to point out that this process is occurring in such a comprehensive way for the first time since the inception of the PRC. It is qualitatively different from what was done in this field prior to 1979 (Third Plenum). What is going on is not the adjustment of various provisions for Marxism for the needs of leadership, as had often been the case previously, but systematic research in terms of a completely integrated system.

Practically all of the basic provisions in the fields of philosophy, political economy, history, aesthetics, ethics, etc., have been subjected to research and comprehension. Discussions in Chinese scientific and political publications and at scientific symposia, etc., have been particularly focused during the past two to three years on such philosophical and ethical problems as humanism and alienation. These two, as is known, were extensively studied by Marx in his early works (prior to *German Ideology*), and he also returned to them later (*Das Kapital*).

In his statement on January 3, 1984, at the Advanced Party School

under the Central Committee of the Chinese Communist Party, Hu Qiaomu—Secretary of the Central Committee and a leading contemporary theorist of the CPC—said that several hundred articles on this problem have been published. It is estimated there were about 600 such publications. The wide discussion on the problems of humanism and alienation gave rise to a rather critical evaluation of recent “Chinese socialism” and a no less acute analysis of its present position. In his statement, Hu Qiaomu expressed the concern with this problem.

What concerns the CPC leadership in this connection today is the substantially increased critical attitude toward the “leftist” inheritance of “Mao Zedong ideas” and the clear tendency to cancel many, if not all, of the officially claimed achievements won under the banner of these ideas. The “four fundamental principles”—socialism, proletarian dictatorship, party leadership, Marxism-Leninism and ideas of Mao Zedong—adherence to which determines the loyalty and constructive position of any critical statements, have obviously become insufficient criteria. In fact, the critical application of the Marxist provisions on humanism and alienation to Chinese reality have not yet gone beyond the limits of the “four fundamental principles.” However, their comprehension and interpretation by the Chinese press in recent years clearly questioned the present regime in China, which is precisely what causes Hu Qiaomu’s concern.

The need to continue active development of cooperation with the outside world, including capitalist regimes and “bourgeois elements,” in the interest of technological modernization, etc., continues to be pressing. At the same time, the need to resist the unwanted consequences of the ideological and political influence accompanying such cooperation becomes an ever more important problem.

The key to solving these two opposite tasks is seen today in Beijing and stems from Hu Qiaomu’s statement on integrating the “specific features of Chinese socialism” contained in “Mao Zedong ideas” interpreted in a certain way and in the Marxist-Leninist ideas of building socialism. This situation necessitates the review of the ideological and eventually political approach to evaluating international socialism and the USSR. This process of evaluation is not continuous and is not devoid of contradictions, but it nevertheless becomes more and more feasible in matters of foreign policy and in Beijing’s moves in its relations with the outside world.

SOVIET-U.S. DIFFERENCES IN THEIR APPROACHES TO JAPAN

_____ Igor A. Latyshev

Beginning soon after its defeat by the Allied powers and its surrender at the end of World War II, Japan came to be the object of struggle between two opposite political courses, the American and the Soviet. While the course of U.S. ruling circles was to introduce limited reforms in Japan to preserve the monarchy and consequently to convert the country into the main U.S. military stronghold in East Asia, the Soviet government envisaged a fundamental transformation of the Japanese economic, political, and state structure in order to uproot militarism and fascism and to make Japan a sovereign, truly peace-loving democratic country. The conflict between these two policy courses permeated discussions both in the Far Eastern Commission, which was entrusted with the task of working out the fundamental principles of the Allied powers' occupation policy in Japan, and in the Allied Council for Japan, which was in charge of elaborating more specific questions of occupation policy. Under the influence of the Soviet Union and the world and Japanese democratic public opinion, the U.S. military administration, which acted as the official representative of the Allied powers' will in the first years of Japan's occupation, had to proceed with more radical reforms of the Japanese inner structure than they would have preferred.

But the aggravation of Soviet-American relations, caused by the U.S. leaders' abjuring President Roosevelt's policy and shifting over to the "cold war" against the Soviet Union, led to a reconsideration of the initial policy of the U.S. military administration in Japan. A "reversed course" was initiated, over Japanese democratic public protests, to curtail progressive reforms, to suppress revolutionary and democratic movements, to give up the demilitarization of Japan, to convert the country into a most important link of the U.S. anti-Soviet strategic-military system in

Igor A. Latyshev is Professor and Head of Department, Institute of Oriental Studies, Moscow.

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the Pacific, and to rebuild Japan's armed forces. Being in actual control of the situation in Japan, the U.S. military administration, represented by General MacArthur's headquarters, concentrated its efforts on subordinating Japanese policy to the interests of U.S. ruling circles. As a result, Japan was turned into a country dependent on the U.S. militarily, economically, politically, and culturally.

The last stages of the occupation prior to the treaty of San Francisco were marked by a sharp confrontation between the USSR and the U.S. over Japan's future development. While the U.S. strove to perpetuate its control over Japan, the Soviet Union tried to prevent this by opposing the maintenance of U.S. military bases on Japanese soil, the revival of Japanese militarism, and the U.S. "reversed course." This posture of Soviet diplomacy was prompted not only by its general concern for peace but also by the desire to make the far eastern borders of our country secure against the threat of aggression created by the U.S. military presence in Japan and South Korea, and to prevent the use of the Japanese islands as a springboard for aggression against the Soviet Union. But these aims were not achieved: the struggle ended in the unilateral signing of two separate treaties—the San Francisco Peace Treaty signed by the U.S. and its allies, and the U.S.-Japan "Security Treaty" whereby Japan was turned into a U.S. "junior partner," a dependent country whose government has followed the U.S. foreign policy course on major questions of international relations.

Later, during the 1950s and 1960s, there were clear indications that U.S. diplomacy was trying to use Japan as an ally and as a base in its global confrontation with the Soviet Union by obstructing all efforts to improve Soviet-Japanese relations. An example of this was provided by the unceremonious interference of U.S. Secretary of State John Foster Dulles with the Soviet-Japanese talks on normalization of relations between the two countries in August 1956. At the exact moment that the prospect for a fruitful completion of the talks was emerging, Dulles frustrated it by resorting to open intimidation of the Japanese side. On August 19, 1956, he warned Japan's Foreign Minister Mamoru Shigemitsu that if Japan recognized the islands of Kunashir and Ithurup as Soviet territory, the U.S. would demand that Japan recognize Okinawa as U.S. territory. With the same aim of preventing the normalization of Soviet-Japanese relations, the U.S. State Department published a Note on September 17, 1956, supporting Japan's unfounded and illegitimate claims to the southern islands of the Kuriles.¹ All these

1. John I. Stephan, *The Kurile Islands: Russo-Japanese Frontiers in the Pacific* (London: Oxford University Press, 1974), p. 219.

steps were an open violation of the Yalta Agreement signed by the Roosevelt administration in February 1945 in which the right of the Soviet Union to the Kurile Islands was stated clearly and unconditionally.

A certain relaxation of tension in Soviet-American relations in the second half of the 1950s also had a positive effect on Soviet-Japanese relations, which was reflected in the signing of the Trade Agreement between the two countries in 1958 as well as in wider intergovernmental, business, cultural, and public contacts. In these years the Soviet Union's policy vis-à-vis Japan was inspired by the desire to promote good-neighbor relations and business cooperation between the peoples of the two countries. This policy course was in line both with the general goals of Soviet foreign policy, which was pursued on the basis of the principle of peaceful coexistence between states with different social systems, and with concrete Soviet national economic and political plans in East Asia.

But the early 1960s, marked by such gloomy events in the history of Soviet-U.S. relations as the intrusion of a U-2 aircraft into Soviet territory (1960) and the Cuban crisis (October 1962), saw new difficulties in Soviet-U.S. relations that unfavorably influenced Soviet-Japanese ties as well. Especially negative were the consequences of Japan's signing in 1960 of a new version of the Japanese-U.S. "security treaty," which was directed against the Soviet Union. By imposing this treaty on Japan, Washington achieved its aim of holding back the process of improving Soviet-Japanese neighborly contacts for a number of years.

A certain improvement in Soviet-Japanese relations took place only in the late 1960s and early 1970s, which was again to a great extent due to the Soviet-U.S. detente in these years. Proceeding from the fact that the fundamental interests of the Soviet and Japanese peoples coincided and called for peaceful coexistence rather than hostility, Soviet diplomacy sought to maintain contacts with those circles of the Japanese public that showed interest in business and neighborly contacts with the Soviet Union. This course yielded positive results; although Japan remained politically dependent on the U.S., Soviet-Japanese relations developed along an ascending line until the end of the 1970s. A rather wide network of mutually beneficial agreements and ties between business, public, cultural, and other organizations of the two countries took shape on that basis.

Graphic symbols of major achievements in Soviet-Japanese neighborly relations are found in the large-scale agreements for the two countries to cooperate in the development of the natural resources of Siberia and East Asia (the forestry agreement and the arrangements to exploit South Yakutia coal deposits, construct port facilities in the Bay of Wrangel,

prospect for off shore oil and gas on Sakhalin Island and so on) as well as the Joint Statement signed in Moscow on October 10, 1973, in which the Soviet and Japanese state leaders expressed their wish to promote friendly relations between the two countries.²

However, it should be kept in mind that even in these years when Soviet-Japanese contacts were growing stronger, the ruling circles in Japan were far from doing everything to meet the peaceful intentions of the Soviet side. Quite often these intentions were blocked by hostile opposition. The Soviet approach toward Japan coincided to a greater extent with the viewpoints of the Japanese democratic opposition—namely, the Socialist and Communist parties, the labor unions, progressive intellectuals, etc.

A visible change in the power balance between the U.S. and Japan, which had turned into a second capitalist power in economic might, became apparent in the 1970s. As a result, Japan's economic and political dependence on the U.S. decreased as compared with the 1950s and 1960s. Japanese militarism was coming into its own. Though the Japanese monopolies' business ties with their American counterparts continued to strengthen and expand, the contradictions between the two countries' business circles became more and more visible. This process was reflected in the so-called trade war, in the different approaches of the U.S. and Japanese governments toward the situation in the Middle East, in the disagreement on the problems of fisheries, etc. Japan's attitude toward the Soviet Union, which in the 1970s was more positive than that of the U.S., should also be examined in the context of these differences.

Unfortunately, Japan's diplomatic independence proved to be not very great despite its growing economic potential. The U.S. ruling circles shifted away from the policy of detente to a rigid confrontation with the Soviet Union by the late 1970s and early 1980s, and this soon had an adverse effect on Japan's approach toward the USSR. Following in the path of Washington, the Japanese government adopted a policy of curtailing Soviet-Japanese intergovernmental contacts and business cooperation. This policy trend in Japanese ruling circles became especially apparent after the Reagan administration, obsessed with the idea of global confrontation with the Soviet Union, came to power in the U.S.

The Reagan administration's effort to achieve U.S. military superiority over the Soviet Union and to involve a number of countries in a new arms race spiral was marked by a sharp intensification of U.S. pressure on Japan to make it participate more effectively in the confrontation with the Soviet Union.

2. *Pravda*, October 11, 1973.

In recent years the efforts of U.S. ruling circles have been more purposefully concentrated on undermining Soviet-Japanese business, scientific, technological, and other ties, which had been built up by the two countries' advocates of good neighborliness in the past two decades. For this purpose the Reagan administration used various kinds of pressure, including meetings of parliamentarians and leaders of the two countries, diplomatic channels, and the press. The great attention paid to Japanese affairs reflected the Reagan administration's new concept, according to which China, as a probable U.S. partner in an anti-Soviet alliance, was not reliable and only Japan might be such a reliable U.S. partner.³ A factor enabling the U.S. government to achieve some results in pushing Japan on the path of an openly anti-Soviet policy was the growth in the late 1970s of nationalistic anti-Soviet militarist sentiments in the Japanese political world among some groups of businessmen connected with the war industry, among ultrarightist political circles, and among the commanders of the Self-Defense Forces who longed for public recognition of their importance in state affairs.

The most obvious political result of the U.S. pressure on Japan has been the anti-Soviet rhetoric in official Japanese government statements on problems of a global nature having no immediate bearing on bilateral Japanese-Soviet relations. An example is provided by the joint U.S.-Japanese communiqué signed in Washington on May 8, 1981, after talks between President Reagan and Prime Minister Suzuki. The document, especially paragraph 2, clearly spoke of Tokyo's readiness to join the American confrontation with the Soviet Union, looking for a pretext not only in bilateral Japanese-Soviet relations but also in global problems as indicated by the attack of the communiqué's authors on the Soviet Union while mentioning the events in Afghanistan and Poland.⁴

The same openly anti-Soviet coloring is characteristic of the statements of the present Japanese Prime Minister, Yasuhiro Nakasone, who succeeded Suzuki. It is sufficient to recall his well-known statement in Washington in January 1983 expressing his readiness to convert Japan into an "unsinkable aircraft carrier" to resist an alleged "Soviet military threat," or his speech at the Williamsburg meeting of the leaders of "the Seven" in May 1983, where he stressed the intention of the Japanese government to actively collaborate with the U.S. and other Western countries in their confrontation with the Soviet Union.⁵ There is also another new feature in the Nakasone government's pronouncements

3. *Sankei Shimbun*, July 4, 1983.

4. *Asahi Evening News*, May 9, 1981.

5. *Ibid.*, May 31, 1983.

—the emphasis on their readiness, to turn Japan into an East Asian NATO flank in order to oppose the “Soviet threat” together with the countries of the West.

Echoing the U.S. President, the Japanese Prime Minister during his talks with Reagan and other American statesmen came out with warlike rhetoric that peace in East Asia could be preserved with the armed forces of the Western world and not by agreement and compromise with the Soviet Union.⁶ To those well acquainted with the inner spirit of Japanese state policies, it is clear that the rhetoric of Nakasone and other Japanese conservative statesmen is motivated not so much, if at all, by their zeal to struggle with the Soviet Union as by the desire to win the favor of Washington’s leaders and thus soften the discontent in the United States that has grown in recent years as a result of the intensified economic expansion of Japanese monopolies in the American domestic market.

This very desire of Japanese governmental circles to show Washington their readiness for further deterioration in Japanese-Soviet relations may account, to some extent, for the seemingly gratuitous splash of activity in Japan on the part of the advocates of the territorial claims to the Soviet Union in 1980–81. It was not accidental that the anti-Soviet campaign was initiated at that time by the Suzuki government, which took the decision to celebrate officially and annually the Day of the Northern Territories in order to use it as a pretext for provocations by the Soviet Union’s enemies. Likewise, the notorious economic “sanctions” introduced by the Japanese government against the Soviet Union were nothing more than the result of U.S. pressure on Japan. These “sanctions” included restriction of intergovernmental contacts with the Soviet Union, a ban on some business contracts, a refusal to implement the agreement on scientific and technological cooperation, etc.

Since these “sanctions” were a political tribute to Washington, they were less harmful to the interests of the Soviet Union than to those of Japan itself and, in particular, to the interests of the Japanese business circles that lost a number of profitable Soviet orders. True, the policy of “sanctions” was often symbolic since restrictions were applied primarily to those spheres of Soviet-Japanese business relations in which the prospects for Soviet orders were not very bright, while bilateral collaboration in more promising sectors (e.g., preparations for offshore drilling for oil and gas near Sakhalin Island) went on without any significant hindrances on the part of Japanese governmental departments.

But the strongest U.S. pressure to involve Japan in a confrontation with the Soviet Union in recent years occurred in the military-strategic

6. Ibid., November 12, 1983.

field. Nowadays the question at issue is the active involvement of Japan in the arms race, which is designed to break down the global military-strategic balance established in recent decades and to change it in favor of the United States and its allies. It is in this context that the problem of Japan's renouncing earlier restrictions on the buildup of its military potential, its shift to all-around military cooperation with the United States, and the big growth in its military power, should be considered.

Actually, a military course, which was resolutely opposed for many years by the Japanese peace-loving forces who justly connected it with the militarization of the country and the revival of Japanese militarism, today has been imposed upon Japan. While earlier Japan was regarded by the Pentagon mostly as a convenient base for a permanent American presence in East Asia, now the emphasis is equally placed on Japan's military and economic potential, since its industrial capacities allow quick transformation of a civil economy into a military one. The Pentagon also takes into account the fighting power of the Japanese Self-Defense Forces, which Washington intends to use to fulfill many of the tasks previously assigned to U.S. armed forces.

One's attention is drawn to Washington's unscrupulousness in choosing a means of pressuring Japan. Suffice it to mention the resolution, insulting to any sovereign state, adopted by the U.S. Congress in December 1982 calling upon Japan to speed up its military preparations in order to achieve by 1990 a defensive capacity that would suit the United States. It was only natural that the Japanese press branded this resolution an act of overt interference in the internal affairs of a foreign state.⁷

Nonetheless, the efforts of the U.S. government to convert Japan into not only a political but also a military adversary of the Soviet Union with a considerable fighting capacity have brought certain results: today, Japan is not only the largest military stronghold of the United States with 49,700 American troops deployed at 119 bases there, but it is also a country with its own efficient 270,000-strong army equipped with sophisticated weapons.

It is worth noticing the growth rate of Japan's military budget, which is eighth in the world and twice that of the U.S. European NATO allies.⁸ The most striking feature of the Japanese Self-Defense Forces is that, being designed as an appendage of U.S. war machinery, they are actually

7. See *Problemy Dalnego Vostoka* (Problems of the Far East), No. 1, 1984, p. 54.

8. See *Japan and the United States in Search of Peace* (Official Government Bulletin, Japanese Ministry of Foreign Affairs), November 1983, pp. 7-8; *Defense Bulletin*, 7:1 (October 1983), (Public Information Division, Japanese Defense Agency), pp. 37-39, 42-43.

supposed to be used in combat actions against only one country—the Soviet Union. According to the military doctrine of the Japanese Command, at present the Soviet Union is Japan's only potential military enemy. This means that the Soviet Union has to watch the growth of the fighting capacity of Japan's armed forces and their operational plants as vigilantly as those of the U.S., and even more so, since the Japanese government insists on its illegitimate claims to Soviet territories. Such are, in short, the essence and the results of the anti-Soviet policy course imposed upon Japan by the United States in the postwar years and more recently.

What is the Soviet Union's attitude in the face of Japan's blind imitation of the Reagan course of sharpened confrontation with the Soviet Union and escalation of the arms race? It is a position of firmness, vigilance, and patient waiting for the time when Japanese ruling circles realize the inexpediency and hopelessness of blindly following the United States as well as the dangers of Japan's participation in an unbridled arms race that Washington has involved it in.

At the same time, Soviet diplomacy misses no opportunity to approach the Japanese government and public with alternative proposals designed to prevent further deterioration of Soviet-Japanese relations and to remove the obstacles created in their bilateral relations by the enemies of the Soviet Union in Japan and the U.S. The first precondition for the restoration of friendly relations between the two countries is, in the Soviet view, the cancellation by the Japanese government of the notorious "sanctions" introduced under U.S. pressure in connection with events that had nothing to do with Soviet-Japanese ties. As is known, up to now the Japanese government has not canceled the "sanctions" officially, though its posture on this question has become less rigid. But sooner or later the Japanese government will have to decide how to get out of the political impasse in which it finds itself as a result of the ill-fated attempts to interfere with Soviet-Afghan and Soviet-Polish relations.

As for the other issues in Soviet-Japanese intergovernmental relations, it would be expedient to recall the Soviet draft treaty on good-neighbor relations and cooperation presented to the Japanese side as early as January 1978 as a basis for discussion and exchange of views on a number of bilateral relations problems. Though the above-mentioned draft treaty was at once rejected by the Japanese side, the Soviet Union considers this proposal still valid. It is supposed that the Japanese side will sooner or later realize the expediency of this treaty, which is designed to improve the general atmosphere of Soviet-Japanese relations and to be an intermediate step in the elaboration and signing of a peace treaty.

All other peaceful Soviet proposals made in the past years also remain valid as a basis for bilateral discussions. Among them there is, in particular, a proposal put forward at the 26th CPSU Congress to start negotiations on confidence-building measures in East Asia. The Japanese side has been fully informed about the USSR's readiness to guarantee by treaty the non-use of nuclear weapons against Japan, if the government of the latter undertakes not to produce, possess, or import such weapons.

The Soviet press has shown great circumspection in dealing with news concerning Japan. The Soviet press publishes information on the buildup of the military capacity of the Japanese Self-Defense Forces, on their participation in U.S. war preparations made with a view to power confrontation with the USSR, and about the campaign of territorial claims waged in Japan by the enemies of our country, and at the same time acquaints its readers with the Japanese public movement against the militarization of the country, for the cessation of the arms race and for halting further deterioration of Soviet-Japanese relations, and in defense of their peaceful constitution. Thus our people are sufficiently well informed of the fact that, besides enemies, there are many friends of the Soviet Union in Japan, that the suspension of Soviet-Japanese contacts at the governmental level has not destroyed the neighborly non-governmental ties between the Soviet and Japanese peoples in social, business, scientific, cultural, sports, and other spheres, and that the responsibility for the present complications in Soviet-Japanese relations rests with U.S. and Japanese governmental circles and not with the common Japanese.

I would like to stress that in contrast to the U.S. and Japanese press, whose interests in the Soviet Union are limited to military-strategic issues, the Soviet media continue to bring home to our public the necessity to develop businesslike, neighborly relations with Japan, strengthen friendship with the Japanese people, and respect its culture and achievements in the fields of economics and science and technology. All this reflects the Soviet Union's principled course of opposing the attempts by U.S. ruling circles to push Japan against our country. The Soviet government and public continue to maintain bridges for the development of business ties and friendly contacts with Japan. This was plainly stated by N. A. Tikhonov, Chairman of the USSR Council of Ministers, in his reply to a *Yomiuri* daily correspondent that "We, in the Soviet Union, feel respect and empathy for the Japanese people and sincerely wish that confidence and good-neighborliness prevail in our relations. The Soviet people had and still have no other intentions."

What are the prospects for the development of relations in the U.S.-Japan-USSR triangle? As for Japanese-U.S. relations, they will most

probably remain as complex and contradictory as they are today. On the one hand, they will still be determined by the tendency of the interests of the two countries' business circles to merge, the development of U.S.-Japanese military cooperation, and the adjustment of Japanese foreign policy to the United States' warlike policy line. On the other hand, they will be characterized by the sharpening rivalry among individual groups of Japanese and U.S. monopolies, the intensification of the "trade war," and the growth of anti-U.S. sentiments in Japan and anti-Japanese sentiments in the United States. In other words, the present marriage of the two quarrelsome spouses—the United States and Japan—will be preserved in the future because the dissolution of this marriage, though far from being as happy as it may seem, does not correspond to the interests of both sides.

Soviet-Japanese relations in the near future will also change, but neither for the worse nor for the better. We students of Japan do not want to dramatize the present state of Soviet-Japanese relations. First, we know that it is a by-product of the deterioration of Soviet-U.S. relations and not the outcome of any new contradictions in the bilateral ties between the two countries. Second, it should be remembered that while the ties are not very active at the governmental level, they continue to be full-blooded and fruitful in unofficial fields—public, business, etc. The strong bonds of friendship that now exist between the Soviet and Japanese peoples form a network stable enough to endure any attempts by U.S. and Japanese ruling circles to disunite our peoples and to make them each other's enemies. We are convinced that after a certain time, unless the general course of events take a tragic turn, relations between the Soviet Union and Japan will improve at the governmental level as well.

The future of Soviet-U.S. relations seems more complex. Their development is still unpredictable, though it is on these relations that the destinies of the peoples of not only our countries but also the whole world primarily depend. The mention above of the probability of a tragic turn of international developments refers to the possible consequences of the irresponsible playing with fire begun by the Reagan administration in Western Europe and other parts of the world, aimed at breaking down the existing balance of forces and achieving for the U.S. military superiority over the USSR. This dangerous game is fraught with the threat of a global thermonuclear war, which would mean the extinction of mankind. This tragic alternative development of world events should not be omitted from our reckoning when we discuss the future of international relations in both Europe and East Asia. The danger of a nuclear holocaust may be averted once and for all only by joint efforts of

two countries, the Soviet Union and the United States. These efforts should be aimed, in the first place, at achieving an accord on a halt to the nuclear arms race and the non-use and subsequent ban of nuclear weapons production. Unfortunately, for the time being, the U.S. side does not show sincere readiness to make such an agreement. The Reagan administration seems to be eager to continue the arms race in a delusive hope of achieving full military superiority over the Soviet Union. This fallacious policy darkens the prospects for developing Soviet-U.S. and Soviet-Japanese relations as well as the prospects for strengthening the stability of international relations in the East Asia and Pacific region.

As long as the U.S.-Japanese alliance is based on hostility toward the Soviet Union and on a military confrontation with our country and its intimidation, there can be no lasting peace in this part of the world. As for Soviet-U.S. contradictions on issues relating to both countries' relations with Japan, they could be smoothed over only if the U.S. and Japan give up their military schemes and forceful methods of resolving international disputes and look for peaceful means of normalizing their relations with the Soviet Union. Everything said in this essay confirms the fact that the Soviet Union is ready to assist this quest for peaceful means.

JAPAN AND THE U.S. IN ASIA

Cooperation and Contradictions

Konstantin O. Sarkisov

At a time when the international situation has been seriously deteriorating and undergoing destabilization, Japan has been using its growing economic and technological potential to strengthen its position in Asia. Moreover, it has been increasingly active within the framework of U.S. strategy, which is designed to create a rigid structure of global confrontation with the USSR and to use conflicts and contradictions, particularly of Asian origin, for that purpose.

Current Japanese foreign policy is dominated by two tendencies—to expand its political influence and, at the same time, to develop its military-political alliance with the United States. The Japanese government has been quite successful in following both because they have not yet come into conflict with one another. Moreover, Japanese diplomacy has been expertly using cooperation with the U.S. to expand its economic and political involvement in Asian affairs. At the same time, it is obvious that Japan's broad economic and political involvement in Asia carries a high potential for future conflicts between the U.S. and its Japanese partner in Asia. However, the tendency for cooperation has prevailed so far. During the past several years, the U.S. has gained certain advantages as a result of this cooperation. First, it has achieved greater Japanese involvement in U.S. strategy in Asia; second, it made Japan carry out diplomacy unfriendly to the USSR; third, Japan has been assured a greater military role in East Asia; and finally, the U.S. has succeeded in assuring greater Japanese economic aid to U.S. "strategic" partners in Asia, most of whom belong to the group of "frontier states."

However, an analysis of these four aspects of present U.S.-Japanese bilateral cooperation in Asia leads to the conclusion that their multipurpose cooperation is both conscious and forced. The U.S. is well aware of

Konstantin O. Sarkisov is Professor and Section Chief, Institute of Oriental Studies, Moscow.

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the view that has been openly expressed in Japanese political and academic circles that Japanese involvement in U.S. global strategy in Asia is to a great extent an obligatory payment for U.S. concessions or for the Reagan administration's restraint on issues of the economy, trade, and increasing the military budget.

Within this context, the two governments have established a certain mechanism of mutual understanding based on personal contacts between their leaders. That is why official Tokyo strongly hopes, according to the Japanese press, that Reagan will be reelected as president.¹

The Japanese are indeed aware of the political price the country has to pay because of its growing involvement in U.S. strategy. In Asia, Japan has a strong reputation as a pro-American power. It cannot start a political dialogue with Asian countries acting from the position of an "Asian power" since it does not fully share Asian interests, but at least it plays the role of an honest mediator between Western and Asian powers.

In the past, capitalizing on its low involvement in conflicts and on its image as a "peaceful and peace-loving" country, Japan had been using with varying success its economic links to play the role of mediator. The strengthening of its military and political alliance with the U.S., its deep involvement with U.S. strategy, its diplomacy of clearly defined positions, its rejection of a cautiously weighed and careful diplomacy, its efforts for political integration with NATO, and finally the announcement by the Nakasone government that the main goal of present Japanese foreign policy was the "affirmation of Japan as a member of the Western camp"—all these developments objectively interfere with the Japanese playing the role of a "bridge" between Asia and the West.

Nakasone is blamed for going too far in his pro-American policy and neglecting the traditional thrust of Japan's Asian diplomacy. According to the estimates of some Japanese observers, Japan is politically inactive in the Asian-Pacific region. In contrast to the Ohira and Suzuki governments, the Nakasone cabinet is not trying to generate any new ideas pertaining to the region. The clear emphasis on military and political cooperation with the U.S. costs Japan in the decreased rate at which its diplomacy develops in East Asia.² The open disapproval by the Japanese people of the new emphasis in Nakasone's foreign policy may also be cited as a reason for the Liberal Democratic Party's failure in the general elections on December 18, 1983.

The Japanese efforts to exert political pressure on regional conflicts have been quite unsuccessful. The visit of Japanese Foreign Minister

1. *Asahi Shimbun*, February 1, 1984.

2. See editorial in *ibid.*

S. Abe to the Middle East in August 1983 was marked by a Japanese effort to play a mediator's role. By all appearances, the Iranian side did not take seriously the peacemaking efforts of Japanese diplomacy and, moreover, was irritated by Japan's excessive activity on this question. It was only the serious interest in developing economic ties and technological cooperation with Japan and in importing Japanese machines and equipment that made the Iranian leaders indulgent enough to listen to the Japanese diplomats. It should be noted in this connection that Japan's geopolitical position and its relatively low involvement in regional conflicts helped it to make more active and constructive moves. At the same time, its reputation as a close U.S. ally was not at all helpful and prevented Japan from asserting itself as an Asian leader.

Similarly, an analysis of Japanese activities in Asia leaves the impression that the Japanese are not too much concerned that Asian countries so far have not accepted it as a political leader. Japan's main purpose is quite different; it is trying to preserve its special position that enables it to maintain normal relations with all conflicting parties and remain uninvolved in the conflicts. Japan is obviously trying to capitalize on that situation primarily in the fields of trade and economics. The western European countries lack such an opportunity.

As a matter of fact, anti-American social revolutions in Asian countries frighten the Japanese because they carry the danger of creating a new structure in which Japan is unable to play the role of an alternative force. But ironically, they are at the same time profitable to Japan from the standpoint of its trade and economic expansion in the region.

Japanese businessmen began to fill the void left by American monopolies that had been quite powerful in Iran prior to the 1980 revolution when, after several chaotic years, the new regime adopted new economic plans and began to organize the country's economic life. The Japanese companies actively penetrate the Iranian market. Last year was marked by a sharp increase in Japanese exports to Iran, and the import of Iranian oil to Japan reached the pre-"Islamic revolution" level—about 450,000 barrels per day (26 million tons a year). Recently, the Japanese press commented on Iran's purchases of bulldozers, trailers, and other machinery from Japan, and that Caterpillar and International Harvester have been replaced by Komatsu and Hitachi.

One of the important forms of Japanese-U.S. cooperation in Asia during recent years was the bilateral adjustment of the government aid programs to Asian countries whose social and economic stability is important to the U.S. It should be pointed out that despite U.S. efforts to impose the idea of their joint interest in this field on its partner, the Japanese government agrees to such cooperation because of its willing-

ness to make concessions to the U.S. and to reduce U.S. government pressure in the trade and economic sphere and also on the question of increasing the Japanese military budget.

The Japanese caution in providing aid to U.S. allies in Asia may be explained by the fact that as a rule these Asian countries have unstable economic and political structures. Apart from that, U.S. strategic interests in Asian countries receiving Japanese economic aid at the request of the U.S. do not always coincide with Japanese interests in Asia. Pakistan and Turkey are good examples. Having no traditional or serious economic interests in these countries, the Japanese did agree to provide them with increasing economic aid. Among the seventeen members of the OECD Commission for development aid, Japan is the largest source of aid to Pakistan, accounting for over 32% of the total economic assistance to that country. In general this may satisfy the United States. At the same time, it should be noted that Japanese aid is not free of self-interest. Having initiated close political contacts with U.S. strategic partners in Asia within the framework of the agreed strategy at the suggestion of the U.S., and offering those countries economic and technical aid, Japan at the same time uses these contacts to ensure mass penetration of its products into their markets. In terms of trade exchanges with Pakistan, Japan occupies the second place after Saudi Arabia.

There are two more points to be made in this context. The idea, if any, that the U.S. deliberately assists penetration of Japanese products into these third countries in order to decrease the pressure of Japanese goods on the U.S. market is quite unreasonable. Notwithstanding the visible Japanese trade expansion in developing countries, the U.S.-Japanese trade imbalance continues to grow.

The U.S. cannot expect that the rapid growth of Japan's trade and economic positions in Asia will be temporary and that Japan can be successfully excluded when there is no longer a reason for the U.S. to shut its eyes to the Japanese expansion. Considering such factors as the high quality of Japanese products, Japan's better knowledge of the consumer market, its transformation of export patterns owing to mass production of "technology intensive" products, etc., one may confidently say that for the U.S., Japanese trade and economic expansion in Asia is profoundly irreversible.

The main feature of the U.S.-Japanese partnership in Asia is the obvious expansion of its military content in line with official U.S. military concepts published every February by the U.S. Secretary of Defense (the *Defense Report*). This report envisages much more than the present Japanese participation in protection of the 1000-mile zone and some

other measures. The U.S. strategy foresees the future deep involvement of Japan in military confrontation with the USSR. However, it is believed that the increasing military content of Japanese-U.S. cooperation may cover not only East Asia or support U.S. efforts to raise the level of military confrontation with the USSR, but Asia as a whole. Their increased military cooperation may cause a deterioration in Japanese-Soviet relations and a greater direct threat to Japanese security, and also affect Japan's position in Asia in general. Because of its little involvement in conflicts and its intermediate position between East and West, Japan may lose many political trump cards that it still holds.

Another important aspect concerns relations between Japan and China. It is believed that the U.S. also realizes that China does not treat the idea of Japan's greater military role in Asia with any special enthusiasm. Some observers are likely to see the criticism of "reborn Japanese militarism" published in the Chinese press as a tactical step aimed at serving certain practical purposes. Would it be reasonable to cherish any illusions in connection with that view? These publications reflect to a great extent the Chinese fear that Japan may grow into a strong military power. If that is the case, it is a great disadvantage to China. At present China is ready to agree to only a gradual increase in Japan's military potential, limited to its "self-defense" needs. But at the same time, China, like the U.S., is apprehensive of the uncontrolled growth of the Japanese military potential. Are there any guarantees that its growth, which so far has been limited, would not become uncontrolled in the future? The answer is in the negative. China and other Asian countries may legitimately apprehend that.

There is another serious reason for Asian countries to fear the growth of Japan's military potential. Former Japanese Foreign Minister S. Okita, speaking in February 1983 at a seminar at the East Asian Institute at Columbia University, said that expansion of Japanese military strength in the framework of existing friendly relations with China "may look as a serious threat to small countries in Asia."³

The need to search for certain forms of stability in Asia on the basis of agreements between the parties concerned will become a pressing problem in the future. Will a Japan possessing great military strength and an even greater economic and technological potential become a positive and constructive element in a hypothetical security structure in Asia? Will its participation in such a system require more effort than the continuation of the policy rejecting its transformation into a "big" military power?

3. Saburo Okita, "Japan and the Pacific Basin," *International Affairs*, Summer 1983, p. 17.

From this standpoint, the U.S. is making an obvious mistake in forcing Japan to depart from the principles it will have to impose on it later. It is an obvious blunder to believe that only the USSR would stand to lose if Japan is transformed into a powerful center of military force.

During the 1980s, Japan has been playing an increasingly prominent role in Asia as an exporter of new technology. Many Asian countries take a visible interest in receiving not merely credits and loans but technology from Japan. Objectively, it is associated with the growing importance of scientific and technical progress for the faster economic growth of developing countries. Japan is willing to use their interest for its own economic and political ends. Technological aid thus becomes a weapon of Japanese politics in Asia and an important element in Japanese-U.S. cooperation in Asia. Some Asian countries that play a key role in U.S. Asian politics, such as South Korea, Taiwan, the ASEAN countries, and Pakistan, are particularly interested in and hopeful of obtaining Japanese technology.

At the same time it should not be expected that Japan will meet all their hopes. There is a rather strong prejudice in Japan against offering technological aid to some Asian countries, particularly to the medium developed countries. Japan is also afraid of the "boomerang effect"—i.e., that its technological aid may create dangerous rivals to Japan in Asia, particularly among some ASEAN countries.⁴

In developing its technological cooperation with Asian countries, Japan nevertheless reached the two following goals. First, within the framework of the U.S. concept of creating stable subregional associations of states whose pro-Western political orientation might be consolidated on the basis of their self-sufficient dynamic economic development and the use of their own resources,⁵ Japanese technological aid meets the needs of partnership with the U.S. in Asia. Second, Japanese technological aid to Asian countries helped it to deepen its penetration into their economy. In 1983 during Nakasone's visit to the ASEAN countries, the Japanese government made a new proposal to hold regular consultations on a ministerial level on scientific and technical cooperation. Japan reasoned that technological cooperation may become an important factor for developing political relations with the ASEAN countries and that it will serve to tie them closer to Japan.⁶

Japanese-U.S. cooperation in Asia also takes the form of active

4. *Nihon Keizai Shimbun*, June 24, 1983, p. 2.

5. See the Japanese evaluation of the U.S. concept of a new liberal school as expressed by Secretary of State Shultz, *Nihon Keizai Shimbun*, July 4, 1983, p. 7.

6. *Nihon Keizai Shimbun*, June 24, 1983, p. 2.

Japanese participation in unofficial ties, which in their essence are little different from the formal contacts. A vivid example of such ties is the military-political cooperation between the U.S., Japan, and South Korea.⁷ The political nature of interaction between these three countries is widely known. Its military aspect has recently been increasing. Japanese government circles deny a possibility of trilateral military cooperation and say that the Japanese Constitution denies Japan the right of collective security. According to a recent report from Japanese-South Korean sources, in late 1980 one of the important figures of the Carter administration "in charge of strategic planning" unofficially inquired of the Japanese political leaders about the possibility of dispatching its troops to South Korea in case of military action there. According to the same sources, the Japanese refused to discuss the question since it was related to a hypothetical situation.⁸

Nevertheless, recent U.S. military and strategic documents continue to see the role of Japan and South Korea in one context. The Department of National Defense in Japan has started to consider plans for joint military maneuvers between the Japanese Air Force and the U.S. Air Force stationed in South Korea. In Japan even conservative circles recognized that the above decision was taken to develop the idea of trilateral military and political cooperation and that it was quite in line with the political results of Nakasone's visit to Seoul in January 1983.

Japanese participation in such unofficial coalition ties entails certain sacrifices. The well-publicized decision to provide a four billion dollar credit to South Korea was exclusively politically motivated.⁹ It was painful for Tokyo to adopt this decision, which was greatly influenced by the United States. It is believed that apart from obvious political, military, and strategic motives, the existing situation brings another important incentive to the U.S.—to make South Korea and possibly other countries a counterweight against the growing economic and technological potential of Japan.

The positions of the U.S. and Japan on the integration process in Asia are also not identical. Objectively, the U.S. stimulates this process, which has an economic background, keeping in mind its political, military, and strategic interests and the intent to use the process against national-

7. Z. Brzezinski, an ardent advocate of such unofficial coalition ties, proposes an even broader coalition: Japan-South Korea-NATO. He suggests that the organizing role be played by annual summits of the seven leading capitalist states, which he believes should become a mechanism for consultations on strategic matters. Zbigniew Brzezinski, "East Asia and Global Security," *International Affairs*, Summer 1983, p. 12.

8. *Nihon Keizai Shimbun*, April 16, 1983.

9. Saburo Okita, "Japan and the Pacific Basin," p. 12.

liberation and progressive regimes in Asia. For Japan the integration process carries in principle the danger of stimulating collective resistance to its trade and economic expansion. In June 1983 when it was learned in Japan that Saudi Arabia, Kuwait, UAE, Qatar, Bahrein, and Oman were going to increase the import tax substantially, the Japanese monopolies were concerned that such a step would damage Japanese exports, which amounted to 11 billion dollars (7.9% of total Japanese exports) in 1982, to these countries. The Japanese were outspoken enough to say that they placed much hope in the lack of unity between these countries—i.e., that the centrifugal force would overpower the centripetal force.¹⁰

Notwithstanding the differences in U.S. and Japanese approaches to certain problems and the growing rivalry between them, their cooperation in Asia has been having a negative impact on peace and security in the region. This cooperation, being in line with a U.S. strategy that is designed to attain a missile and nuclear superiority over the USSR and to break the existing balance of force, is objectively a destabilizing factor.

10. *Nihon Keizai Shimbun*, June 30, 1983, p. 6.

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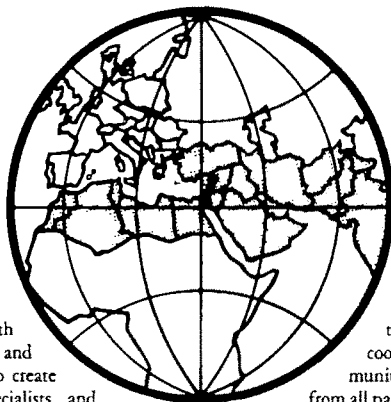
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